



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

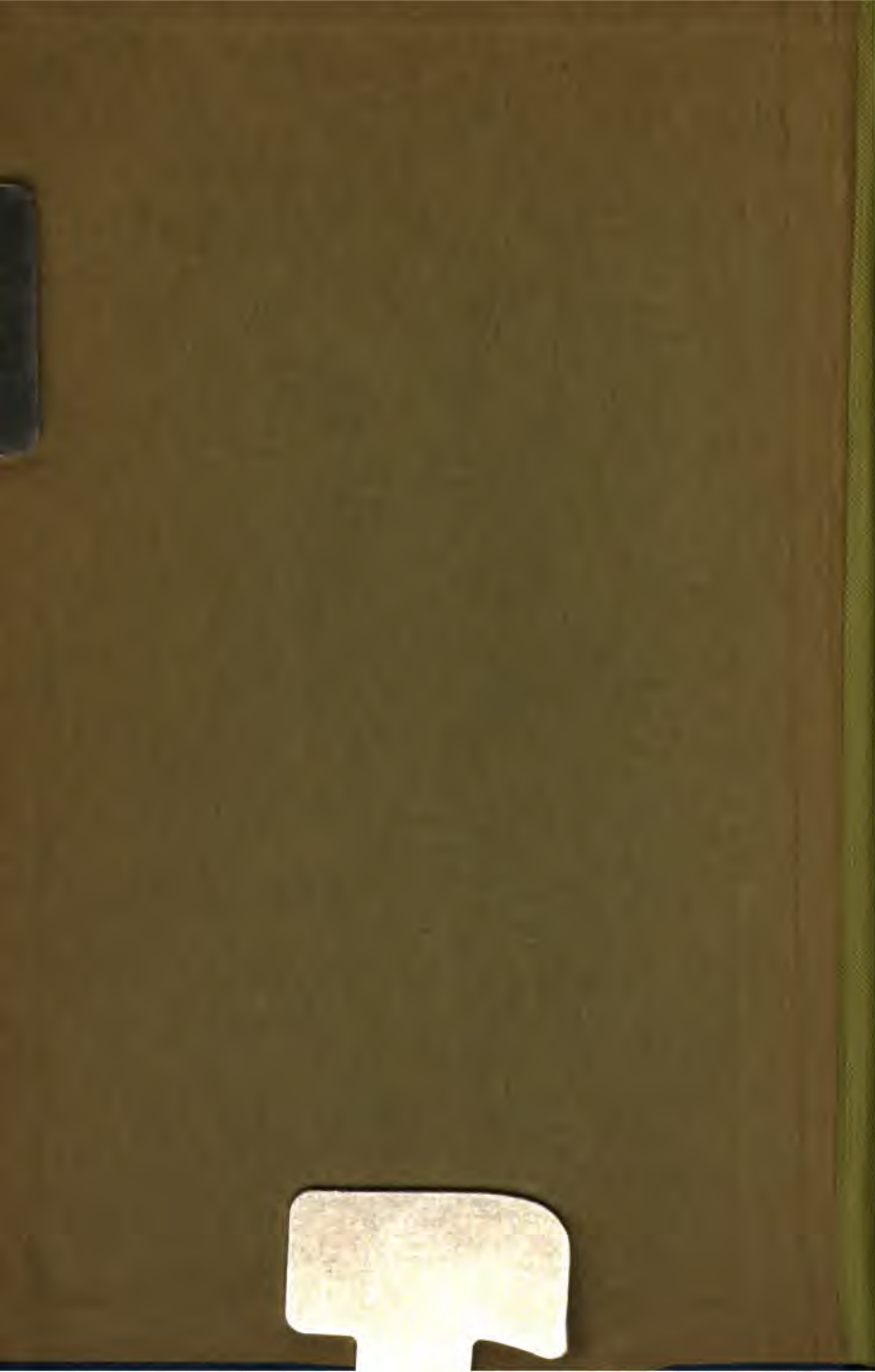
About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

NYPL RESEARCH LIBRARIES

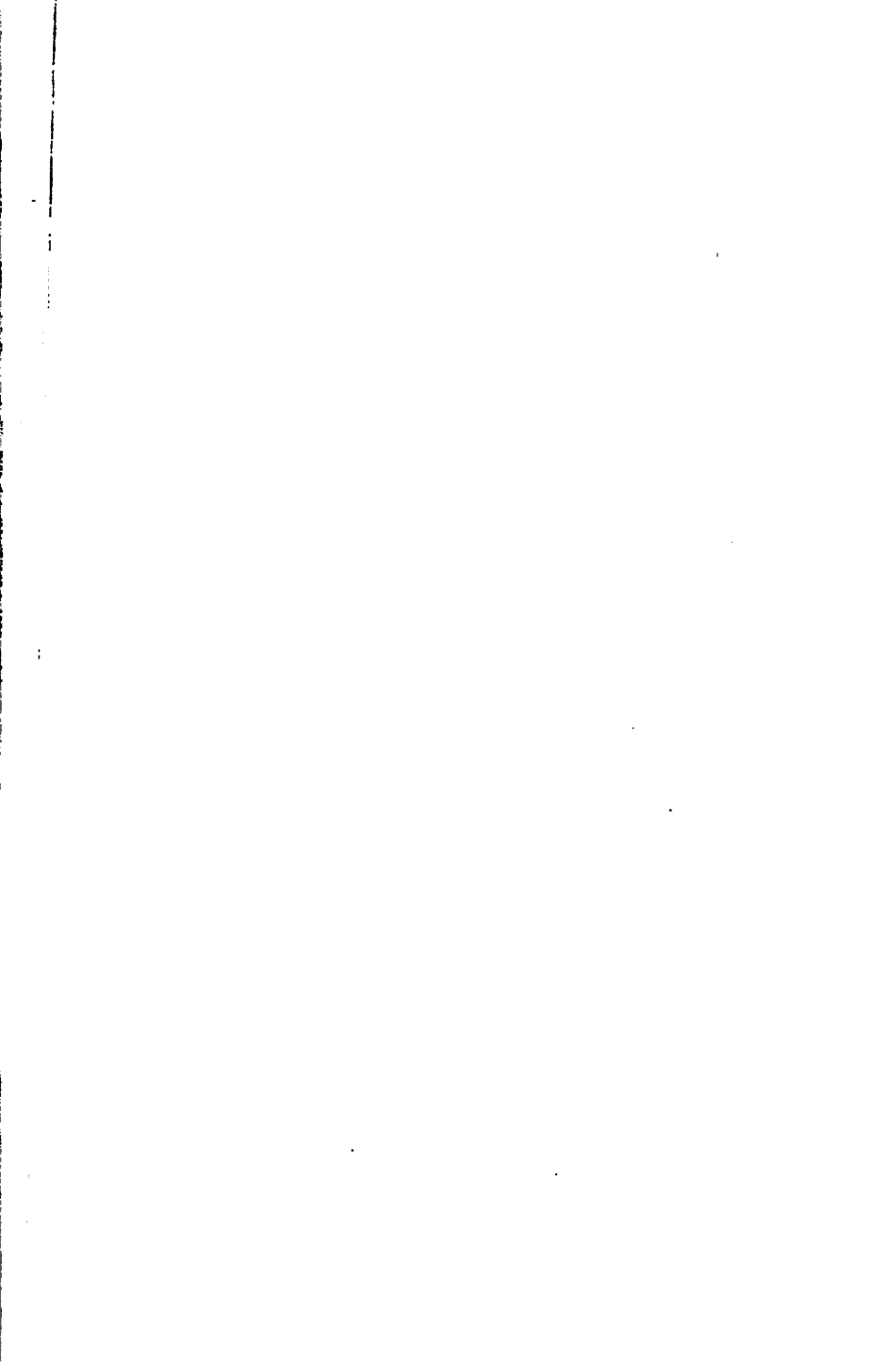


3 3433 08244127 4



Dr. J. H. H. H.
M. H. H. H.





THE NEW FAR EAST

AN EXAMINATION INTO THE NEW POSITION
OF JAPAN AND HER INFLUENCE UPON
THE SOLUTION OF THE FAR EASTERN
QUESTION, WITH SPECIAL REFERENCE TO
THE INTERESTS OF AMERICA AND THE
FUTURE OF THE CHINESE EMPIRE

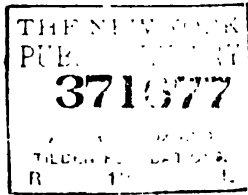
BY

THOMAS F. MILLARD

NEW YORK
PUBLIC
LIBRARY

NEW YORK
CHARLES SCRIBNER'S SONS
1906

. C F



COPYRIGHT, 1906, 1906, BY
CHARLES SCRIBNER'S SONS,
Published, March, 1906

ROYAL
CLUB
YACHT

INTRODUCTION

THE design of this work is to give a condensed exposition of certain significant phases of the Far Eastern question since it assumed its present shape and tendency, especially in its relations to Western civilization and the interests of the United States of America.

The material was gathered in the course of several sojourns in the Far East, made during the last six years, when I visited all the localities chiefly affected by recent great events, and was at times an observer of and participant in those events. While I have exercised the privilege of using my own judgment in determining facts and weighing policies and conditions, and have endeavored to write without animus, I have, in submitting them to the test of analysis, not hesitated to face the logic of my conclusions.

To the extent that the inherent importance of its subject, rather than any merit it may have, draws attention to the book, I will be content if it shall aid in restoring, in America and elsewhere,

a critical instinct in respect to matters of great moment to the whole world.

I beg to acknowledge my indebtedness to the publishers of Scribner's Magazine for permission to reproduce here, in part, matter which has previously appeared in its columns.

THOMAS F. MILLARD.

NEW YORK, February 15, 1906.

CONTENTS

CHAPTER I

A STARTING POINT

Some Premises of the New Far Eastern Question — Nothing Fundamental Settled by the Russo-Japanese War — Injection of a New Element — Relation of Publicity to Prevalent Western Opinion — The British and Japanese Propagandas — Their Method and Results Analyzed — Attitude of the American Press — Real Issues of the Late War — Importance to the Western World of a Clear Knowledge of the Facts and Understanding of the Issues — An Effort Toward Sanity	Page 1
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

CHAPTER II

THE TRUE POSITION OF JAPAN

Popular Opinion in Japan — Sentimental Impulses of the People — Government by an Oligarchy — Elements in Political Life — Foundation of Prevailing Misconceptions — Manufacture of Public Opinion — Popular Enthusiasm for the War — Japan's Real Position Among the Nations — Still an Oriental Power — The National Ambition — The Military Programme — Possible Future Opponents.	Page 23
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

CHAPTER III

THE TRUE POSITION OF JAPAN (*Concluded*)

Foundations of National Wealth — Situation of Japanese Agriculture — Only Half the National Domain Now Cultivated — Mineral Resources of the Country — The Fishing Industry — Industrial Japan — Subsidized Industries — Condition of Japanese Labor — Foreign Commerce of the Country — Estimate of the National Wealth — Effects of the War — The Financial Situation — Future Possibilities.	Page 33
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

CHAPTER IV

THE SEIZURE OF KOREA

- The Political Struggle Between Japan and Russia in Korea — Antecedents to the Late War — Japanese and Russian Diplomatic Methods Compared — The Ante-Bellum Negotiations — Advantage of the Japanese — Control of Communications — Interruption of Telegraph Service — Mr. Pavloff's Obtuseness — The Breaking off of Diplomatic Relations — The Situation in Seoul — Landing of Japanese Troops — The Situation at Chemul-po — Diplomatic Dinners at Seoul — The Critical Moment . Page 50

CHAPTER V

A QUESTION OF NEUTRALITY

- Arrival at Chemul-po of the Japanese Fleet — Admiral Uriu's Ultimatum — Action of Foreign Naval Commanders — The "Vicksburg" Incident — Conduct of the Russian Naval Commander — Failure of the Neutral Intervention — Opening of the Fight — Destruction of the Russian Ships — International Aspects of the Incident — Diplomatic Correspondence — The Russian Charges — The Japanese Reply — The Truth About the Matter . . Page 65

CHAPTER VI

JAPAN IN KOREA

- Assurances of Japan Respecting Her Intentions in Korea — Ante-Bellum Statements — The First Protocol — This Remarkable Instrument Examined — Usurpation of Korean Autonomy — Coercion of the Korean Emperor and Cabinet — Resort to Intimidation — The Emperor's Vain Appeals to the Foreign Ministers — Construction of Railways — The Second Protocol — Further Abolition of Korean Autonomy — Effects of the Japanese Occupation — Attempt at Financial Reform Page 80

CHAPTER VII

JAPAN IN KOREA (*Continued*)

- Effects of the Japanese Occupation upon Foreign Interests in Korea — Predominance of American Interests — Prosperity During the War — Japanese Removal of Foreign Advisers — Political Pressure upon Commercial and Indus-

CONTENTS

ix

trial Affairs — The Su-An Syndicate — Feeling of Foreigners in the Country — Diplomatic Position of Foreign Powers — Dr. Allen's Removal — Political Future of Korea — The Suzerainty Agreement — Japanese Military Coercion — Suicide of Korean Ministers — Korean Emperor's Vain Appeal to America — Political Significance of Korea	Page 94
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

CHAPTER VIII

JAPAN IN KOREA (*Concluded*)

Effects of the Japanese Occupation upon the Koreans — Korean Hatred of the Japanese — Reasons for this Hatred — National Sentiments Involved — Japanese Abuse of Koreans — Character of Japanese Immigrants — A Personal Experience — Koreans Treated as a Conquered People — The "Nagamori Land Scheme" — The "Kong-chin-hoi" Society — The "Il-chin-hoi" — Pathetic Situation of the Emperor — Japan's Intentions in Korea — Agricultural and Commercial Possibilities of the Country.	Page 109
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

CHAPTER IX

MANCHURIA

Relations of Manchuria to the Far Eastern Question — Japan Rebuffed — The Russian Aggression — Recent Events and Their Significance — Enormous Russian Expenditures — Count Witte's Policy — Admiral Alixiev's Failure — The Beginning of the War — Prosperity of the Chinese Population — Later Developments — The Japanese Advance — Changes in Conditions — Sufferings of the Chinese — Results of the Japanese Administration — Some Effects of Martial Law upon Non-combatants	Page 124
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

CHAPTER X

THE JAPANESE IN MANCHURIA

Second Year of the War — The Japanese Administration — Insecurity of Life Among the Chinese Population — Summary Executions — "Ex post facto" Regulations — Effects of the Advance of the Japanese Armies — Work of Spies and Informers — Military Regulations for the Conduct of Non-combatants — Japanese Camp-followers — Hardships of the Chinese — Chinese Financial Losses — Confiscation of Chinese Property	Page 142
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

CHAPTER XI

THE JAPANESE IN MANCHURIA (*Concluded*)

- Effects of the Japanese Occupation of Manchuria upon Foreign Interests — Military Control of Ports of Entry — Some Effects upon American Trade — Disreputable Methods of Competition — Military Blockade upon Commerce — Japanese Colonisation of Manchuria — Japanese Judicial Jurisdiction — Judicial Discrimination Against Foreigners — Japanese Judicial Supervision over the Chinese — The "Hung-hutzes" — The Neutral Border — Russian and Japanese Military Use of "Hung-hutzes" — General Nogi's Flank Movement — China's Neutrality — Old "Fakes" Revived Page 155

CHAPTER XII

FOREIGN POLICIES IN CHINA

- Unreliability of Diplomatic Utterances as a Basis for Sound Opinion — Basic Motive of Most Foreign Policies in the Far East — The British Policy — Birth of the "Open Door" Doctrine — England's Motive in Advancing It — Securing Support for the New Doctrine — Progress of the Forces for Dismemberment — The "Sphere of Influence" Doctrine — Proposed Division of China — The Anglo-German Agreement — The "Yiang-tse Valley" Agreement — The Hay Agreement — Lesson of the "Boxer" Troubles Page 176

CHAPTER XIII

FOREIGN POLICIES IN CHINA (*Continued*)

- The New Anglo-Japanese Alliance — Real Intent of this Instrument — The Turning Over of Korea to Japan — England's Reason for this Action — "Special Interests" of England and Japan in Eastern Asia — "Territorial Rights" of England and Japan — The Japan-China Manchurian Agreement — Destruction of Chinese Autonomy in Manchuria Page 190

CHAPTER XIV

FOREIGN POLICIES IN CHINA (*Concluded*)

- The Russo-Japanese Peace Treaty — The Agreement Respecting Manchuria — Analysis of These Clauses — The Matter of "Railway Guards" — China's Unavailing Protests —

CONTENTS

xi

Period of Evacuation — A New Military Frontier — Japan's Occupation of Port Arthur — Revival of the "Sphere of Influence" Doctrine — The German, Russian and French Policies — The German-Russian Entente — Coincidence Between the Designs of Japan and Russia — England's Equivocal Position Page 202

CHAPTER XV

THE NEW CHINA

The Awakening of China — Forces Within the Empire — External Elements — The Balance of Power — Foreign Commercial Exploitation — Relation of Diplomacy to Commercial and Industrial Enterprises — Foreign Concessions — Growth and Development of Railways in China — Conquest by Railway — Russia's Daring Scheme — The American Railway Concession — The Belgian Stalking Horse — Beneficial Forces — The Imperial Railways of North China — Influence of General Foreign Commerce — Great Opportunities Page 217

CHAPTER XVI

THE NEW CHINA (*Continued*)

Quasi-foreign Forces Within the Empire — The Japanese Influence — Growth of the Native Press — Peculiar Conditions — Extra-territoriality — Growing Force of Publicity in China — Japanese Use of this Force — Anti-foreign Propaganda — Subtle Methods Employed — The Boycott of American Goods — Origin of the Movement — Misconceptions Regarding It — The Real Forces at Work — Footprints of the Agitation — Injury to Chinese Merchants — Methods of Intimidation — Progress of the Movement — A Warning to the West Page 236

CHAPTER XVII

THE NEW CHINA (*Concluded*)

Internal Forces of the Empire — Evidences of an Awakening — Errors in Western Conceptions of the Chinese — Liberal Patronage of Railroads — Modern Industrial Development — Profits of Railway Lines — Political Forces — The Chinese National Spirit — Some Confusions of Thought Among Westerners — The Ambitions of Old China — Influence of Chinese Educated Abroad — The "Japanese Students" — The Reform Movement — Birth of a New Doctrine — Characteristics of the People — Ambitions of the New China Page 256

CHAPTER XVIII

JAPAN, CHINA AND THE WEST

The "Yellow Peril" Possibility — Japan's Relation to the Question — China the Determining Factor — Creation of the New Chinese Army — Use of Japanese Military Instructors — Possible Restrictions upon China's Military Development — Progress of Education in China — Oriental Industrial Possibilities — Some Food for Reflection — Influence of Japan upon the Future of Commerce and Industry in the East — Logic of Japan's Position . *Page* 270

CHAPTER XIX

AMERICA'S POSITION AND POLICY

Coming Realignment of Policies in Asia — Foundations for Existing Impressions in America — Examination of Basic Propositions Involved — Foreigners and Foreign Commerce in Japan — Japanese Attitude Toward Foreign Enterprises — Effects upon American Interests — Attitude of American Manufacturers Toward Japan — Japanese Feeling Toward America — Japanese Moral Standards — Has England Thrown America Over? — Problems for American Diplomacy *Page* 283

APPENDIX A

THE ANGLO-JAPANESE ALLIANCE *Page* 309

APPENDIX B

THE RUSSO-JAPANESE PEACE TREATY *Page* 312

APPENDIX C

THE JAPAN-KOREA AGREEMENT *Page* 318

THE NEW FAR EAST

THE NEW FAR EAST

CHAPTER I

A STARTING POINT

Some Premises of the New Far Eastern Question—
Nothing Fundamental Settled by the Russo-Japanese War—Injection of a New Element—Relation of Publicity to Prevalent Western Opinion—The British and Japanese Propagandas—Their Method and Results Analyzed—Attitude of the American Press—Real Issues of the Late War—Importance to the Western World of a Clear Knowledge of the Facts and Understanding of the Issues—An Effort Toward Sanity.

THE apparent disposition of the Western press and peoples to regard the making of peace between Russia and Japan as having considerably advanced the Far Eastern question toward a satisfactory settlement must have impressed even the casual observer.

One needs, then, a strong conviction and a fairly well fortified opinion to advance the suggestion that, far from settling the Far Eastern question, the peace leaves it in almost as unsettled a state as before hostilities began. This should not be construed as meaning that nothing has been ac-

complished by the war. Much has been accomplished. A new and potent element has been injected into the situation; an element by many long deemed visionary in prospect, and much scoffed at—a waking and capable Orient. All the old elements, with all the old cross-purposes and hostilities, still remain, and are now confronted with the problem of assimilating or being assimilated by this new force. The settlement is still a matter for the future.

It is clear that the practical details of the settlement that is to come must be worked out mainly in the future of the Chinese Empire and, incidentally, of Korea; and there are indications that the existing situation in these countries is not fully understood in the West, and particularly in America. Korea has not consented to be transferred to Japan; on the contrary, she objects as strenuously as she may. Besides Russia, none of the great powers that are interested, politically and commercially, in the future of Korea have formally recognized Japan's preponderating influence *except England*. Theoretically, the status of Korea remains unchanged. Instead of Russia being in Manchuria, both Russia and Japan are there. Both have agreed to evacuate, it is true, but then Russia has always agreed to evacuate.

Taking the situation as the peace between Russia and Japan finds it, there is not the slightest alteration of the political status of Manchuria as a result of the war, and the general interests there remain the same as they were before. Manchuria is to be given back to China "as soon as is prac-

licable"; but the same has been said ever since Russia took advantage of the "boxer" trouble to occupy the country. If diplomatic assurances could have settled these important issues, they would have been settled before the late war began, for the terms of the peace treaty might have been copied, in so far as they apply to Russia, from past official announcements of her intention.

Is it not plain that, while great changes have taken place, nothing vital to the question has really been settled? The actual results of the war have been a decided shifting of the balance of power in the Far East and the establishment of Japanese military authority in Korea and the substitution of it for Russian authority in the southern part of Manchuria. The various policies of the various powers, generally suspended or only surreptitiously urged during the progress of the war, are now seeking to adjust themselves to the altered situation, with the object, as always, of devising ways and means to gain their several ends. Thus the future is full of uncertainty, for desires differ, and in the counter-pressure of complex and opposing forces there is almost infinite opportunity for international friction.

Since the tendencies of Japanese energies and ambitions and the political questions involved in the settlement seriously affect the desires and interests of a number of the great Western powers, particularly America, they are worthy of something more than passing consideration. Indeed, it is not too much to say that some of the gravest problems influencing the destiny of the human

race are included within the scope of events now so rapidly culminating in that part of the world, and it would be a blind public opinion or statesmanship that would regard them with indifference.

However, in discussing these matters in so far as they are influenced by Japanese ambitions and tendencies, one encounters a serious difficulty at the very outset. This has its roots in the immense amount of misinformation which has in the last year or two, under various disguises, been disseminated concerning Japan, her policy and people, and the popular misconceptions based thereon now prevalent among Westerners. So, in order to give any adequate portrayal of the elements and issues involved, it seems necessary to first clear away this mass of rubbish.

The chief agency in creating this misconception has been, naturally, the press; and to make clear the method by which this extraordinary result was accomplished some elucidation is required, the pertinency of which will appear. It has long been the boast of American journalism that our press is to a great degree free, in the delineation and discussion of foreign news, from the prejudices and influences which so often mar the efforts of our British and Continental contemporaries; and it must be with a feeling of mortification that it now begins to realize how all these years it has in many things been led by a string held in London. And yet the explanation of this seemingly singular condition is simple enough. During the first century of American national existence the chief con-

cern of the people was about internal affairs, and they were quite content to take ordinary news about events transpiring outside the national boundaries from outside sources, since the effect upon internal progress was so slight as to seem insignificant.

The causes which made London the news clearing house of the world are obvious. Before the day of the telegraph British ships sailed all the seas and penetrated to the remotest parts of the earth. British interests grew up everywhere, making communication frequent and easy. Then came the telegraph, and the laying of marine cables. Here England was again the pioneer, and for many years cables controlled by British interests were almost the only avenues of news transmission between Europe and America and remoter regions, while chartered concessions for a long time did, and in many instances still forestall competition. So far as America was concerned, practically all of the foreign news which reached the press came through London, and still does, although the laying of a Pacific cable now gives the Western hemisphere ready and direct access to the Orient. Other practical reasons applicable to journalistic conditions, such as the differences in time caused by the rotation of the earth, added to the forces which established the route of the world's news movement from east to west. Thus London became the news centre of the world, and the American press found it not only convenient, but practically necessary to depend upon the London press for the great bulk of its foreign news.

It is only in late years, since my work has taken me to various parts of the world and brought me face to face with the actual method used in the gathering and transmission of such news services, that I have come to realize what an immense power they have exercised in enabling England to advance her policies and interests, and my annoyance at the discovery is lost in admiration of the results achieved. That historians of the rise of the British Empire should have, in their analyses of the forces which have produced the result, ignored this corner on information of a certain class and what it has involved shows that appreciation of the function of publicity in civilization is still in a nebulous state.

Interesting as this question is, and well worthy of exhaustive elucidation, I only refer to it here because it affords the principal clue to matters directly pertinent to a discussion of Japanese ambitions and designs in the Orient. The reader need not expect to be able to reach any intelligent understanding of the great Far Eastern question without an investigation that must at least consider the fundamental propositions involved. The ingenious and pithy epigram may dazzle, but it leaves the mind ignorant and unconvinced. And the relations of publicity to the present situation and its results cannot be ignored, since it has been, and is being utilized to call into play and influence forces directly bearing upon the settlement. Recently, in discussing the present situation in the Orient with a foreigner long distinguished by his association with events in that part of the world, I

asked him what, in his opinion, is the greatest force applicable in the readjustment which must follow the war between Russia and Japan.

“Public opinion in America and England,” he replied without hesitation.

Striking as this statement may seem at first thought, it is essentially true in the last analysis, and in his reply I found a long-growing conviction of my own somewhat unexpectedly confirmed. But to say that the greatest force applicable to the forthcoming problems is public opinion in America and England is not to say that such opinion will necessarily dictate their settlement. It merely indicates that it *may* do so. I venture to go further, and assert that it *should* do so. Whether it will or not depends upon what that public opinion is and how it is exercised in influencing the actions of the American and British governments.

In this connection it is worth while to review, briefly, the manner in which this public opinion has been shaped into its existing state, and the underlying motives which have given it direction. For, as any observant person must have noticed, there is at present a truly remarkable coincidence in the general trend of British and American popular opinion about certain policies and methods in the Far East. When previous divergence of national thought and prejudices is remembered, the present agreement can scarcely be set down as the result of merely incidental forces. It is, in fact, the result of manipulation, aided by certain incidental forces tending to bring English and

American national policies and interests into harmony. This result, extremely desirable in itself, and founded upon just grounds, already shows signs of creating a counterbalancing force which may conceivably be used to defeat the objects the Anglo-American harmony was designed to secure. With such a possibility inherent in it, the subject, in all its details, cannot be regarded as other than very important.

British antipathy to Russia is a matter of such common knowledge that it is unnecessary to review its causes and growth. One of its results has been to assist materially in bringing about the late war and the critical situation consequent upon it. It created the first Anglo-Japanese alliance, and that alliance was the immediate forerunner of the Russo-Japanese war. From the moment it was concluded the war was a foregone conclusion, fully determined upon by Japan, no matter what may be asserted to the contrary, and any opinions formed out of other views lead up a blind trail. This statement is fully borne out by a close study of the facts, and does not necessarily bear upon the right or wrong of the dispute between Japan and Russia. To say that Russia was wrong does not mean that Japan was right, and arguments based on this assumption are destined to come some severe croppers in the near future.

From the moment that England determined upon an alliance with Japan as the most promising means of checking Russian ambitions on the Pacific, there began a propaganda through the press to create a sympathy with the purpose of

the alliance in the two countries where it was absolutely necessary to secure support—England and America. The time was peculiarly favorable for carrying out this project. It required, of course, little effort to set the tide of English opinion flowing strongly against Russia, but in America more delicate manipulation was needed. However, it chanced that public opinion in America, just awakened to a new discovery of Asia by the unexpected acquisition of the Philippines, was beginning to feel aggrieved at Russia owing to her aggressive policy in Manchuria, which was considered to be detrimental, in prospect, to American interests. Moreover, there had been a decided renewal of American friendly interest in Japan, through a variety of causes. So the field was ripe for the reaping.

At that time the gathering and distribution of news from the Far East was almost entirely in the hands of a British news agency, long dependent in a measure upon governmental favors, and whose policy was and is, consequently, amenable to reserved governmental suggestion. The Pacific cable was not laid, and all news that reached America from the Orient, except that from the Philippines, came via London with the usual British coloring. There has always been, and justly, I think, latent in the breast of the average American a feeling of hostility toward the anachronisms of the Russian Government, even while feeling the most lively liking for the Russian people, which gave to clever adverse pictures of Russia's Far Eastern policy a ready acceptance. And, indeed,

this view is in my opinion entirely justified by the facts. The cleverness of the manipulation consisted in that the adverse delineation of Russian doings in the Orient was made to also serve to represent Japan's aims and acts in a favorable light, and the two impressions thus became co-existent in the popular mind.

British manipulation of the Oriental news service during this period did not confine itself to openly or insidiously attacking Russia. It dealt blows also at France and Germany whenever opportunity offered. This led, naturally, to the establishment of news bureaus conducted in the German and French interests, but little from these sources reaches America. The foreign press published in China and Japan has, until very recently, been almost exclusively in British hands, which was also a great advantage to the favorable presentation of the British point of view. As a rule, editors and reporters on these papers are employed as correspondents for the English and American press, and their correspondence naturally has reflected the interests in which their respective papers are published. Mind, I do not wish to convey the impression that any great preponderance of news forwarded from these sources is false, or even improperly colored; but I do think that the general result has been, in matters that could be given a political hearing, calculated to represent England and Japan, so far as Far Eastern events are concerned, in a generally favorable light, and Russia, France and Germany in a generally unfavorable light.

During this period, which may be said to embrace the interval between the "boxer" disturbances in China and the negotiations which precipitated the late war, the principal Oriental news service distributed to papers published in America came from the Associated Press, by virtue of an arrangement between it and the leading British agency; so that while the service was outwardly American, it was in reality British in its essential aspects, subject to a process of "straining" in the offices of the American organization. This is no reflection upon either the enterprise or integrity of the Associated Press. I have reason to think that its managers have long realized the desirability of maintaining its own correspondents abroad, and decided steps in that direction have been made in quite recent times. But financial and other practical reasons have made the process a gradual one, which still probably falls short of what the management wishes and hopes to accomplish. The press of America gets no financial assistance, either direct or indirect, from the Government, as is common elsewhere; which, while being one of its greatest sources of strength and value, sometimes puts it at a temporary disadvantage and prevents it for a time from doing what it would like to do. Most governments not only subsidize news agencies permanently or upon occasion, but go so far as to purchase or establish newspapers outright for the purpose of carrying forward a propaganda in support of their policies. It is to call attention to these methods, particularly to their past and present influence upon the

future of the nations in the Orient, and not to reflect upon the fundamental excellence of the press, that I discuss the subject here.

When the recent war began the Associated Press at once realized the importance of having its own representatives on the scene, and a number of experienced and capable men were sent. A large number of special correspondents also hastened to the Far East, although the American press was generally disposed to depend for its special service upon its English contemporaries. As a consequence, by far the larger proportion of the special correspondents were of British nationality or employed by British publications. Owing to the impression that correspondents would be more welcome with the Japanese, and the foundation of interest and sympathy for them which had already been laid, a great majority went to Japan, where, in the beginning, they received every attention calculated to confirm their friendly predisposition. Many were seeing Japan for the first time, and for the moment its peculiar glamour fell upon them. Moreover, there is no doubt that many of the correspondents for London newspapers had explicit instructions to adopt a pro-Japanese attitude. A few of them, men of sufficient reputation to have some weight, went even so far as to advise with Japanese officials and offer suggestions with a view to disseminating the pro-Japanese propaganda. Thus for several months a large number of correspondents remained in Japan, royally entertained by the Japanese, and writing articles of fulsome praise

about the country and people, which were eagerly printed by Western newspapers and periodicals.

Taking a leaf out of England's book, perhaps acting upon friendly suggestion, the Japanese Government set to work to organize a definite plan to hold what it had gained—popular sympathy in America and England. There is no doubt that the more astute Japanese statesmen fully realized that useful as this sympathy was for the moment, particularly in bolstering the nation's somewhat weak finances, it would become of far greater importance after the war had been fought and the day for the settlement came. Japan had carefully calculated the chances of the war and expected to be successful, else she would not have entered upon it. But military success did not necessarily mean the full accomplishment of her political policy. This policy was destined, as her leaders well knew, to bring her into contact, even friction, with Western powers other than Russia. There loomed ahead a possible congress of the powers, in which Japan would be unable to accomplish her desires without powerful allies, or at least a passive sympathy which would give her a free hand in certain directions.

So a Japanese press bureau was established in London, with branches in Europe and indirect connections in America, for the purpose of keeping the Japanese point of view conspicuously to the fore. This bureau supplies special articles for publication to various news-distributing concerns which operate in England, Europe, and America. It also supplies a special telegraph news service

to newspapers published in the Orient that will print it, and most of them do. A number of newspapers and publications are directly, though surreptitiously, subsidized, especially papers printed in the Far East. Practically the whole of the British press in the Far East continues to be rabidly pro-Japanese, although there is a decided drift of contrary sentiment already noticeable among Britishers residing in the Orient. The resident Japan correspondent for a prominent London newspaper, whose special service is widely used and opinion much quoted in America, is the publisher of a paper subsidized by the Japanese Government.

Naturally, Russia made some effort to counteract this carefully planned propaganda. Two newspapers were established in the Far East by the Russian Government, printed in English, which are supplied with a telegraphic service and are edited in the Russian interest. But no attempt is made to conceal the fact that these publications are subsidized, with the consequence that their utterances are discounted in advance. Besides, their tone is, on the whole, very mild and reasonable compared to the pro-Japanese publications, and they are in hopeless minority.

It may be that these methods are in a way legitimate under certain circumstances. But I think that the British and American people have an interest in knowing the facts. And the American press, also, which is undoubtedly disposed to be fair in its presentation of and judgment upon events in the Far East, should scrutinize its news

sources more closely. Much that is printed in the pro-Japanese Far Eastern press is reproduced in American newspapers, and often editorial comment is based upon it, though I think that this is decreasing. Although the scene of hostilities was far away from Japan, a strict censorship was maintained during and even after the war on press despatches sent out of the country, and this censorship was by no means confined to purely military matters. Yet so prejudiced is a very large section of the English press that it was not uncommon to see the Russian censorship bitterly condemned and the Japanese censorship praised in the same column. It should be clear to even commonplace intelligence that both censorships were maintained for the same purpose, and with the same justification (or lack of it), and my knowledge of both leads me to believe that the Russian was the more liberal, notwithstanding strong reasons why the opposite should be true. As the war dragged on its weary way, the pressure of enormous expense, together with causes tending to destroy much of their utility, led to the withdrawal of a majority of special correspondents. This again left the news services largely in the hands of the regular agencies. Even the Associated Press withdrew all its special correspondents upon the conclusion of peace, under a reciprocal division of the field with its British contemporary.

Thus it occurs that, with the war ended and the settlement which is to be its tangible result rapidly formulating, conditions attending publicity concerning matters pertaining thereto have reverted

to the situation I have outlined; a situation in every way most favorable for keeping to the front the Japanese and British point of view, and most unfavorable for the dissemination of information likely to show the contrary side.

If, then, the average person in America and England now finds himself imbued with an impression that Japan is a miracle among the nations; that her national purposes and ambitions point straight along the path of universal altruism; that she generously sacrificed the blood and substance of her people in the cause of right and the broad interests of humanity and civilization, in a war unjustly and unexpectedly forced upon her; that the Japanese people are the most patriotic, the most agreeable and the "cutest" ever known; that the Japanese soldier and sailor are the bravest the world has ever seen, and their standard of excellence unattainable by Westerners; if he has somehow gathered all this, and much more of the same sort, it is not at all surprising.

This is the rubbish pile which must be cleared away before any intelligent grasp of the immediate issues of the Far Eastern question may be had. It is none the less a mass of rubbish though much of its fundamental structure consists of incongruous and unrelated facts, with no real bearing upon the larger propositions involved. In fact, there is probably no parallel (although I am familiar with the methods and success of the British Government in its manipulation of news from South Africa prior to and during the Boer war), in the absence of direct use of money or applica-

tion of special and pressing interest, to the manner by which the press of America (I assume that a majority of the British press was complaisant) has been "worked" by the Japanese Government in regard to the late war and its issues. However, its effects need not necessarily be bad for Western civilization and interests, since it has given us much that is true and illuminating about Japan, unless it should result in mistaken action or no action at all by Western governments in the crisis that is coming. And it should be remembered that in this crisis inaction on the part of England and America will be positive in its effects.

I shall, in reporting and discussing matters concerning the relation of Japanese ambitions and policy, past and present, to the broader propositions of the Far Eastern question, attempt the somewhat difficult feat of treating Japan and her people in a rational manner; which is to say, that I will examine their actions and motives just as I would those of any other nationality, in the light of the facts.

I heartily disdain the assumption which is the *motif* of so much that is written about Japan, that there is something mysterious, unfathomable to the Western intellect in the national character and motives; and in this I pretend to no superior perception, but only to ordinary common sense. Had America or England to-day a conflict of interest or opinion with another nation, creating serious international friction, what would be the standards applied to any reasonable discussion of the matter? Was it Germany, for instance, would we

permit the fact that her peasantry still wear picturesque mediæval costumes and cling to many ancient customs and ideas to obscure the circumstances involved? Was it France, would the habitual politeness of French waiters and policemen, and the *chic* characteristics of French women blind us to sterner issues? Does the fact that the Turk is a Mahometan and calls his prayers to Allah from a minaret prevent him from having his national entity weighed in the balance of practical international politics?

How much, I wonder, of geisha girls, of cherry blossoms, of politeness of servants and 'ricksha coolies anxious for a tip or desirous of smoothly covering a pecuniary exaction, of lotus blooms, of old palaces and temples, of crude surprise and astonishment at commonplace facts and circumstances of Oriental life, of the beauty of a scenically delightful land, is included in the present Western conception of Japan and her policy? Too much; entirely too much, I think. These facts are very interesting; as is the fact that Japan is rapidly adopting many Western methods, is improving her educational system, and so on. But what have these ordinary matters of social life, common to nearly all countries in some degree, to do with great questions of international policy, dependent upon calculated human volition, and expressed in broad political action? Very little; and, having long ago been emancipated from my first impressions of the Orient, I intend to cut such trivialities out. Let us, then, inquire into these matters, so far as Japan is concerned, just as we should if the

nation in question was England, Germany, Austria, France or—may I say?—Russia.

Much has been written about the causes of the late war; so much that there is now danger that the real causes will be entirely lost sight of in a chaos of comment and advocacy. We heard much of the rights of Japan on one hand, and the rights of Russia on the other. As a matter of fact, neither belligerent had any rights involved. Both had *interests*, but no *rights*. This constitutes a difference as well as a distinction. The chief bones of contention were Korea and Manchuria, and neither Japan nor Russia had any more rights in these countries than the United States, France, or Germany. Manchuria is a part of China, and Korea is, or was when the war began, an independent kingdom. Any rights foreign nations have are under treaties, which may be modified or rescinded at any time. This distinction should be kept clear, for it is vital to any intelligent discussion of the issues of the war and their settlement.

Since it is only by comparison with the causes of the war that its results can be judged, it seems necessary here briefly, even at the cost of appearing to rehash old matter, to recall some of the main propositions. Stripped of diplomatic verbiage and the pretences of special advocacy, the positions of the opposing powers amounted to about this: Russia, desiring to extend her influence in the Orient and secure an open port on the Pacific, and finding in her path territories belonging to nations too feeble to protect them, under various pretexts had occupied Manchuria and was

making tentative encroachments upon Korea, in both cases in disregard of the wishes of the political sovereigns of the countries and the treaty rights therein of other nations. Japan, newly awakened to a great ambition to extend her prestige and territory, and seeing in the success of Russia's policy the final closing of her only avenue to expansion, coveting for herself the disputed territories, and despairing of being able to check by diplomatic means the Russian advance, resolved upon war rather than abandon her own projects.

The fact that Russia had actually usurped authority in Manchuria, which it was occupying contrary to the wishes of China and a majority of the powers which had treaty rights and commercial interests there, enabled Japan to assume the pose of a liberator fighting the battle of China, Korea, and the Western nations, and so posed she still stands in the limelight of propaganda. The forgetful world does not remember that only ten years ago a combination of the powers, headed by Russia, prevented Japan from doing exactly what Russia has, in a measure, since done. Most references to the settlement of the China-Japan war are based on indignant allusions to how Japan was "robbed of the legitimate fruits of her victory," purposely oblivious to the fact that the fruits of Japan's military victory over China were almost identical with the fruits of Russia's diplomatic victory since, to which such strenuous opposition, and justly I think, has arisen. Is there some moral law in international affairs which makes a thing

right when gained by military force and wrong when it is accomplished by diplomacy?

That there be no misunderstanding, it may be well to say here that I consider Russia's past policy in respect to Manchuria and, incidentally, Korea, to have been in its main political aims highly objectionable from the standpoint of not only China and Korea, but also when the interests of other nations are considered. The Western world is now little concerned, except academically, as to the merits of the quarrel between Russia and Japan. The quarrel occurred, the war was fought and is finished.

What now?

The interests of China, of Korea, of the United States, England, Germany, and France remain the same as before the war. The rights of all, since no fundamental rights were at issue in the conflict or could be determined by it, also remain the same. Nothing is changed except the situation in the regions affected by the war. What will be the results upon the various interests and rights involved? This depends upon the eventual settlement; and the settlement will depend upon its issues and the forces brought into play in shaping them.

The main things to be considered, then, are the questions implicated and the forces already being applied and applicable to the situation. This will require close examination of many matters. It is now of minor importance what Russia's conduct in the past has been, since her potency for aggression has been crippled for years to come.

So for the time Russia may be discarded from the discussion. This helps much; for it at once delivers us from past controversies and bitter-nesses and enables us to look more clearly at the present and future. And to get a reliable clew to Japan's ambitions and intentions, and their effect upon Western interests in the Orient, it will not do to depend upon the pronouncements of her diplomats or the representations of a favorable propaganda. I shall therefore attempt a solution of Japan's aims and the effects of her policy, if it succeeds, by examining not so much what she says as what she has done and is actually doing.

CHAPTER II

THE TRUE POSITION OF JAPAN

Popular Opinion in Japan — Sentimental Impulses of the People — Government by an Oligarchy — Elements in Political Life — Foundation of Prevailing Misconceptions — Manufacture of Public Opinion — Popular Enthusiasm for the War — Japan's Real Position among the Nations — Still an Oriental Power — The National Ambition — The Military Programme — Possible Future Opponents.

SINCE popular opinion in Japan is believed by many to be an element that will exert an influence upon the eventual settlement of the Far Eastern question, it deserves some consideration. The propaganda has dealt profusely with this subject. The West was deluged with accounts of the national enthusiasm which greeted the opening of hostilities with Russia, manifested in many striking ways; such as parental and filial homicide where domestic responsibilities hampered responses to the call to arms; popular confidence in the government, shown by subscriptions to the domestic loans, and illustrated by pathetic examples of self-sacrifice; and the alleged determination of the people to fight to ultimate exhaustion rather than permit the nation to recede a step from the position assumed. All this rests upon

a foundation of truth, but it is nevertheless true that the narration and discussion of such incidents in the press of the world created, in the main, a false impression. It is true, for instance, that popular enthusiasm greeted the outbreak of the war. But this by no means implies that a majority of the people approved, or even understood the reasons and objects involved.

Japan is at present, and will be for many years to come ruled by an oligarchy, which, while animated by a more intelligent and progressive spirit than that which governs Russia, differs from it in no essential aspect. The masses of the Japanese people have no better knowledge of public and foreign affairs than do the masses of people in Russia, or than did the peasantry of Europe in the time when it spilled its blood upon battle-fields in obedience to the whims of kings. Under the ruling oligarchy, which includes some very brilliant and a large number of able men, is a stratum of people engaged in professional, industrial, and commercial pursuits comparable to intelligent middle classes in Western countries. These elements only have the capacity for any real understanding of broader political questions, and measured by the whole population of Japan their number is utterly insignificant. If an impression to the contrary has gone abroad, it is due to the direct and indirect operation of the propaganda. Within the last year or two Japan has been flooded with promiscuous writers, who have, as a rule, hovered about the capital and treaty ports, where the most progressive side of the

country is on exhibition. They have been taken in hand by the Japanese, shown the best schools, the best hospitals and factories, the best of everything ancient and modern the country has to show, and the result has been a lot of very ridiculous comment. Set a tide like this running and it is hard to check, and it is not the less misleading because it is founded upon fact.

The Japanese oligarchy rules Japan just as the Russian oligarchy rules Russia, by seeking the approval of the people only when it is compelled to, and no oftener. The people have really almost no voice in the government, and that there are fewer manifestations of popular discontent than in Russia is because the people are more indifferent to a direct influence in public affairs and they are better governed. But in a great war, with its consequent human and other sacrifices, it was prudent to secure popular approval, which the Government set to work to gain. One of the strongest evidences that Japanese statesmen have long been preparing for the war with Russia is the manner by which public opinion was shaped to meet the emergency; while Russia's unpreparedness and lack of political unanimity show that however her Far Eastern policy may have led toward it she failed to realize that the war was at hand. To say that she intentionally brought it on is sheer nonsense.

The facilities at hand for the manufacture of public opinion are practically the same in both countries, with a censored press as the convenient and natural medium. During the last few years

I have visited the Far East several times, and have kept close touch with the progress of events, particularly those bearing upon the policies of Russia and Japan. Having predicted that the war was inevitable three years before it began, and guessed at the time when it would break (as events have shown, I hit it almost to the month), I watched the drift of things more carefully, even when not in that part of the world, than I would have otherwise done. So I was able to keep pace with the method by which the Japanese people were primed by the Government for the war, and also observed the beginning and progress of the pro-Japanese propaganda in the West, which was designed to bring to the islanders allies and sympathizers where most needed.

When the moment arrived and the war-cloud burst I was quite prepared to see the Japanese people rush to arms with enthusiasm. For years their minds had been adroitly played upon, and they threw themselves into the struggle with whole hearts. But the impulse that swayed them was sentiment, not opinion. They had nothing that can rightly be called opinion, for opinion implies consideration of both sides of a proposition, and they had little or no impartial knowledge of the facts. That there was a wide difference of opinion concerning the war among Japanese statesmen is true, but the masses of the people knew little of the doings of the council chamber, for they never read the foreign press. Even dissenters from the war policy, realizing that the nation would need a unified popular sentiment hostile to

Russia if it came to war, did not think it wise to disturb existing popular impressions. As to the Japanese army, it was all for war. I heard Japanese officers of high rank speak of the war six years ago as a certainty of the near future. And the military party was even then in control of the Government.

So much for the foundation of popular opinion in Japan. And it is not a fact to be lightly dismissed by the Western world, that here is a people formidable in arms and of ambitious temperament, so constituted in their present political and social development as to be tools in the hands of a few clever and aspiring men, whose use of the force at their command may be limited only by pressure from without. There does not to-day lie in Japan, in international affairs, any appeal to the good sense or right thinking of the people at large, as in England, America, or the greater part of Europe, from the designs or decision of the ruling class; and in my opinion persons who disseminate throughout the West the contrary view, even indirectly, are either mistakenly ignorant or false to the fundamental standards of Western civilization. We seem in danger of going widely astray in certain directions. There is nothing that I can see in the act of a father murdering his children in order to go to war, or a mother entering the Yoshiwara that her husband may fight for his country except a somewhat revolting reversion to a barbarism still latent in the race. Acts of similar self-sacrifice, differently expressed, are common to all nationalities in similar times.

The plain truth is that the time is still far off when Japan can be regarded except as an Oriental nation, and diplomatic intercourse or policy that does not keep this in view runs the risk of committing an error that may be very grave in its consequences.

All persons who have made a study of the present situation in the Far East will agree, I think, that there is a possibility that the future may bring Japan into a conflict of interests and opinions with some of the more prominent Western powers. Rightly or wrongly, the average Japanese has not the slightest doubt just now of his nation's ability to whip any country in the world. Of course, no considerable number of Japanese leaders entertain this view, but the leaders encourage the people to think so. Thus popular sentiment will probably support the Government in any attitude it may elect to adopt toward the questions involved in the settlement, even if such a policy should threaten to lead to hostilities. This popular belief gives the ruling oligarchy practically a free hand in its direction of events, and adds a seemingly weighty backing to any aggressive policy. So in order to be able correctly to estimate, should friction arise, just how far the position assumed by the oligarchy is genuine and to be seriously regarded, and how much is based on what Americans call "bluffing," an examination of certain conditions bearing on the matter becomes pertinent.

This requires, at the beginning, a brief consideration of Japan's somewhat peculiar national

situation. She finds herself with an expansive national ambition geographically circumscribed by insular limitation. She finds herself with a rapidly accumulating population, which threatens to become numerically burdensome to the present national domain; and she finds, in common with other Oriental nations, large sections of the world likely to be barred to settlement by her people. This reason, as well as the natural advantages of contiguity, make the continent of Asia apparently the most suitable if not the only place to which her population may emigrate. Recognition of these facts has given to her desire for at least equal influence in disposing of the future of China a large sympathy among Western peoples. It should be remembered, however, that there has been and is no great obstacle in the way of Japanese emigration to China or Korea, or any part of the Orient; in fact, many thousands have already migrated.

But this is not satisfactory to Japanese national ambitions, no matter how the *émigrés* may prosper in their new homes. The mother country not only wishes to secure a continental outlet for the emigration of her presumably surplus population, but she apparently wishes to retain her sovereignty over them after they leave their native land. Much significance is attached in Japan to the continual comparisons of Japan with England. There is not the slightest doubt that Japan wishes to extend her political sovereignty over at least some, perhaps all, of the territories to which she sends emigrants. And thus at a glance the inconsistency of her announced intentions and purposes in

undertaking a war against Russia with her real desires and oft-declared necessities appears. How is she to retain political touch with her emigrating subjects unless she acquires territory for them to settle in? Is it not clear that should Japan be content with her expressed intention to acquire no territory by the war, she would have fought Russia to no practical purpose? And does any one think she deliberately undertook that exhausting war for nothing?

Passing by for the time discussion of the questions involved in certain aspects of Japan's ambitions, let us examine her internal situation and the matters directly affecting her ability to carry out a policy of expansion in the face of opposition, and what it entails. One of the effects of such a policy, undoubtedly, is the continuation of an active military status. Large numbers of troops will be needed to occupy the acquired territories, and confronted with the possibility of strong opposition which may assume tangible shape at any moment, the Government will be unable to make great reductions in the now existing military *personnel*. This *personnel* includes the flower of the nation, and its long withdrawal from accustomed pursuits will affect the industrial activities of the nation, besides its initial expense. Since control of the sea is absolutely essential to the security of an aggressive continental policy, she must not only maintain her navy at its present efficiency, but must considerably increase it. It will be necessary largely to re-arm the Japanese navy, and many of the ships will have to be practically rebuilt. With

the addition of new ships (two battleships are now building in England and two large and several smaller cruisers in Japan) the *personnel* will have to be enlarged, and the cost of maintenance will correspondingly increase. In order to keep on a high plane of modern efficiency, the army will have to be almost entirely re-armed. A new and improved field-piece is needed, and the close of the war found a majority of the rifles and artillery in use ready for the junk heap. So instead of the country being freed from the financial burdens which the preparation for and conduct of the late war imposed, it may have to assume new and additional burdens. Such a programme requires an immense sum to carry it out. Can the nation stand the pressure?

It is clear that the answer to this question must be sought in an examination into the material wealth and present liabilities of the country. For no nation can go to war nowadays, no matter how brave and skilful her soldiers and sailors, without the means to pay the piper. Japan fought the war with Russia on money largely secured in England and America, and her ability to fight any other war in the next generation depends on her ability to borrow money abroad. Her ability to borrow abroad hinges on two main considerations—her credit and the disposition of foreign investors toward her and her policy. It is most probable that, even if she should be able to offer reasonable security for interest and principal of a loan, the response abroad would be influenced to a great degree by

whether her policy was harmonious or inharmonious with the views of the nationality of investors. For instance, if Japan's policy should bring her into collision with the interests of the United States, and hostilities threaten as a result, it is most unlikely that there would be any great disposition among Americans to invest in Japanese debentures, to say nothing of the effect a prospective collision with a powerful opponent would have upon the general credit of a nation already hard hit by war.

But, assuming for the time that Japan is unlikely to be called upon to fight another war in the near future, upon what is her national credit abroad to be based? Undoubtedly upon her ability to pay; and that leads to a consideration of the national wealth of the country.

CHAPTER III

THE TRUE POSITION OF JAPAN

CONCLUDED

Foundations of National Wealth — Situation of Japanese Agriculture — Only Half the National Domain Now Cultivated — Mineral Resources of the Country — The Fishing Industry — Industrial Japan — Subsidized Industries — Condition of Japanese Labor — Foreign Commerce of the Country — Estimate of the National Wealth — Effects of the War — The Financial Situation — Future Possibilities.

BROADLY speaking, the national wealth of any nation may be said to rest upon two things—the natural resources of the land, and the conditions under which human industry may be applied to their development. In attempting to arrive at a just appreciation of these matters, I sought information from authoritative and unprejudiced sources in Japan, and was compelled to wade through a great mass of statistics bearing upon them, whose reproduction would only confuse the reader. The facts and conclusions here presented represent a digest of an accumulation of material and opinion, supplemented by a flavoring of my own views. And I may say that I have not, to any great extent, yielded to the influence of the carefully prepared statements which, with a view to strengthening the national credit abroad, the Jap-

anese Government has of late caused to be compiled and circulated through the operation of its press propaganda.

First among the natural resources of the country are its agricultural products. An impression has gone abroad that the Japanese are remarkably skilful agriculturists, who cultivate to its utmost productivity the arable land of their national domain; and not a little of the present sympathy Western peoples feel for the Japanese desire to acquire new territories is based upon the prevailing notion that the country cannot support its present population. It will probably surprise many people to learn that there is now only about one-half the arable land of Japan in cultivation. Some time before the war the Japanese Government appointed a commission to inquire into the state of agriculture in the realm, which in due time reported certain facts bearing thereon. Commenting upon the findings of this commission, one of the leading and more conservative native journals had this to say:

"According to the latest statistics compiled by the Geological Investigation Bureau of the Department of Agriculture and Commerce, the present total area of cultivated fields in Japan forms only 13½ per cent. of her total area. Comparing this with the ratios of cultivated land in foreign countries it will be seen that the land cultivated by countries in Europe covers from one-third to one-half of the total land area. . . . From the above [figures] it will be seen that Japan still has 48 per cent. of the total land area which can be turned into cultivated land. There is at present about five million cho [a cho is equal to 2.45 acres] of cultivated land in the country, leaving some four and a half million cho to be still cultivated. Should efforts be made to turn this arable land to advantage, the increase of population is little to be feared."

Not only is it true that half the land in Japan which might be made productive is now producing nothing, but even that which is in cultivation does not produce what it should. The average tourist in Japan, observing the tiny fields and generally neat aspect of agricultural conditions, jumps at once to the conclusion that the Japanese are expert farmers. So little does the Japanese Government subscribe to this view that it has in late years taken steps to improve agricultural methods throughout the country by the establishment of bureaus for investigation and study, and model farms for the demonstration of and dissemination of knowledge. The Government has also endeavored to stimulate agriculture by a system of loans to the farmers, to be applied only to specific agricultural purposes. Lecturers on the science of agriculture are employed by the Government to instruct the people in better methods, and strong efforts are being made to introduce new crops and to extend the cultivated area. The truth is that Japanese agricultural methods are, in the main, antiquated and wasteful; which is to say that the national traits and conditions which hamper Japanese industry in all forms apply also to this. The value of annual agricultural products per capita of total population is only about twenty yen (ten dollars), or less than the value, I believe, of the American annual egg crop. Figures bearing upon the amount of human labor applied to agricultural production in Japan show that one person cares for less than one acre.

Next to be considered are the mineral resources

of the country. There are a number of coal-fields in Japan, several of which are at present profitably operated. Precious metals are also found in small and uncertain quantities, but coal remains the principal product from underneath the ground. Japan does not produce in quantities worth mentioning gold or silver, lead or iron, and other valuable minerals; nor is there any fair prospect that she ever will. Some attempts have been made to develop oil-fields, but up to the present time more money has been sunk in this enterprise than has been taken out. To sum up briefly, the annual value of the mineral products in Japan is under 50,000,000 yen (\$25,000,000), and the industry affords employment to only 120,000 persons. Laws which operate against the introduction of foreign capital have so far hampered the development of the mining industry, since there is little native capital available for this purpose. The fisheries of the island are an important source of natural wealth, yielding altogether about 80,000,000 yen (\$40,000,000) per annum. This about disposes of what may properly be called natural resources, as commercial and industrial matters belong in another category.

Much has been published recently by the Western press about the new Japan of industry and commerce, and matters set forth have been the basis of widespread optimistic comment, calculated, incidentally, to help the prospects of Japanese foreign loans. Vague yet impressive allusions are made to the forest of factory stacks at Osaka and the growing fleets of Japan's merchant marine.

Here speaks the spirit of car-window observation, either too careless or lacking disposition to probe for the industrial reality underlying the obvious facts. Before the war the total tonnage of ships flying the Japanese flag was about 600,000 tons gross, a majority of which is included in the holdings of the three great steamship companies—the Nippon Yusen Kaisha, the Osaka Shosen Kaisha, and the Toyo Kisen Kaisha. The larger part of this tonnage is in small boats engaged in local inter-island commerce, or plying between Japan and continental Asiatic ports. It exists and is able to operate by virtue of Government subsidies, between eight and ten million yen being annually applied to the stimulation of Japanese sea-going trade, or a fair profit on about 120,000,000 yen of capital. Not only could this respectable shipping industry never have had a beginning without Government support, but it would probably now collapse should the subsidies, for any reason, be withdrawn. Manufacturing, also stimulated by Government favors, out of the money secured by the Chinese indemnity (although to what extent it is difficult to ascertain, since it is mostly by indirect methods hard to trace), is making a somewhat impressive beginning. But the reality is not so impressive under close inspection. In an ante-bellum estimate of the national wealth by the Bank of Japan (Nippon Ginko), the net annual value of manufactured products is given at 300,000,000 yen (\$150,000,000); or about six yen (three dollars) per capita to the whole population.

The fundamental basis upon which Japanese

industry must rest is the efficiency of the labor it can command and the availability of raw products. The limited character and amount of raw products places a primary restriction upon the development of manufactures, only to be overcome by the importation of such material. As to labor, many false conclusions about the future of manufacturing in Japan are based upon the fact that manual labor is very cheap, as expressed in the daily wage of the individual. But whether labor is cheap or dear depends not upon the wage standard, but the cost of production. There is no doubt that industry in Japan to-day, as applied to the manufacture of a majority of products staple in the world's markets, is severely handicapped by expensive labor conditions; which is to say that the inefficiency of Japanese labor, compared to manufacturing countries where the rate of wages is much higher, now often makes it, especially when driven along unfamiliar paths, among the most costly, not the cheapest labor in the world. To put into a sentence what I have gathered from a number of men who have made a study of industrial conditions in Japan, Japanese labor is often both incompetent and wasteful. This is a matter of common knowledge to persons who have had occasion to do business in Japan, or to purchase with utilitarian purport many of the articles displayed in the shops.

Recently a commission appointed to determine upon ways and means to improve industrial conditions in the country reported that what seemed to be most needed was enactment of legislation

providing for the proper and systematic training of apprentices on the English and European method. There is not in Japan to-day anything that approximates the skilled labor of other countries, although the minute perfection of certain artistic products conveys a superficial impression to the contrary. The average Japanese is not only a rather poor workman, indifferent to his own incompetence and destitute of ambition to remedy it, but he has little notion of the value of time—a vital deficiency in the modern struggle for supremacy. A Japanese economic authority has estimated that as compared to American skilled workmen the ratio of Japanese efficiency in labor is about one to four. Such are the conditions under which manufacturing is struggling for a foothold in Japan—a by no means roseate prospect even if the national resources were being husbanded and applied to internal development, instead of being sapped by an aggressive military policy.

The one remaining chief foundation for national wealth is commerce. While individual wealth may be acquired through internal commerce, only foreign commerce can add to the national wealth; and then only if the nation receive more than it gives. So the fact that there is a large and active commercial class in Japan does not necessarily imply existence of a national asset. To the extent that a nation is compelled to purchase abroad articles necessary to its national existence in excess of articles produced in the country and exported to pay for them it loses *commercially* by the transaction, although such imports may be turned into

profit through industrial uses. This difference, where it occurs, is usually called the balance of trade. Without attempting to discuss the economic principles involved, it suffices here to say that at present Japan's *purely commercial* activities do not constitute a national asset, for the balance of foreign trade is against the country. This condition has existed for twenty years now, and the only prospect of a change lies in the hope of the Government that it will be able to push Japanese export commerce in China. Consequently, Japan's foreign commerce must now be figured as a national liability.

In a recent study of the foreign commerce of Japan, a local resident long familiar with conditions in the country and with easy access to official sources of information, pointed out the difficulties in the way of altering the present unfavorable balance of trade. He thinks it cannot be done without a revolution of existing industrial and economic methods, and sees no immediate prospect of this. In 1903 (it is hardly fair to quote in this connection the immense imports caused by the war) the imports exceeded exports by 28,000,000 yen, about ten per cent. of the total exports. The imports for that year consisted mainly of the following principal items: foodstuffs, raw materials used in manufacturing, etc., amounting to 200,000,000 yen; leaving imports of about 80,000,000 yen of such articles as sugar, kerosene, wool, etc., which might be dispensed with without seriously affecting the daily life of the people. But it is not possible to reduce these imports without materially

influencing various forms of industry. Besides, the matter of any possible reduction of imports has another bearing. There is a duty on most of these articles, and as the customs receipts are already pledged to pay the interest on one of the foreign loans, there might be strong international objection to any alteration of the fiscal system calculated to render this collateral insufficient or valueless.

In 1903 the Bank of Japan estimated the national wealth, in a tabulated statement too long to be reproduced, to be 11,690,000,000 yen. Eliminating certain items which cannot be taken as bearing interest, a leading financial paper in Japan estimated, on a basis of twelve per cent., a yearly income of 1,400,000,000 yen (\$700,000,000). I think that twelve per cent. is more than most capital in Japan earns, but even that estimate gives an annual income per capita of only thirty yen (fifteen dollars). Other estimates reached by a different process of figuring place the monthly income of the whole population per capita at about two yen (one dollar), or about twelve dollars a year in United States money.

This brief review will afford some idea of the national resources of Japan under normal conditions. But now, owing to the war, many special taxes have been added to the burden upon a people already taxed almost to the limit. The domestic loans have drawn large sums out of ordinary paths of commerce and industry. The interest upon the new foreign loans must be exported, thus increasing the adverse balance of trade. Assum-

ing that most of the money raised by domestic loans is spent in the country, thus preventing for the time the pressure of the war from being felt by the poorer and commercial classes, it is adding nothing to the real wealth of the country, while piling up a new taxation upon the industry of the future. A war consumption tax of fifteen per cent. imposed upon manufactured articles will not tend to stimulate manufactures. The partial failure of the 1905 rice crop further crippled the internal resources of the country. Without entering into details, general prosperity in Japan is just now upon a downward course, if Westerners can conceive a point below an average monthly income of one dollar. With a population rapidly increasing, the importation of food products is increasing still more rapidly, while the present tendency of industry is to languish in most lines. The quotations on leading Japanese industrial and banking stocks have declined steadily for the last ten years. Other matters are affecting the internal condition of the country. Extraordinary expenses attendant upon the war forced the Government to abandon many projected public improvements, such as new schools, railways, roads, and bridges. The effects of the war will be felt upon almost every feature of Japan's intellectual, social and industrial life for many years.

There remains to be examined the financial situation of Japan. According to statistics which I regard as reliable, the total capital of all banking, commercial, industrial, mining, shipping and agricultural undertakings was at the beginning of the

war 878,762,000 yen (about \$440,000,000). A comparison shows that the *deposits* in the banks of the city of New York would more than pay for all the capitalized wealth of Japan, including bank deposits. It is true that, in a statement recently issued, this figure was greatly increased; but it is not easy to see how the national wealth of a country, upon which its capitalized industries largely rest, can have been immediately augmented by a long and very expensive war. The figures given were compiled before the necessity for representing the national assets in the most favorable light, in order to facilitate the acceptance of foreign loans, was quite so urgent as it is now.

In the recent refunding and conversion of some of the Japanese foreign loans confusion has arisen, which has made it somewhat difficult for one not in the confidence of their financiers to follow the exact drift of all of the transactions. But I think I am approximately correct in stating that the national debt of Japan is now about 2,200,000,000 yen, of which about three-fifths is owed abroad, an increase of 1,700,000,000 yen as a result of the war; and it has been announced that a new domestic loan will soon be issued. As security for the foreign loans the Government has hypothecated about everything in the country that would be accepted for the purpose, including the customs, the tobacco monopoly (mortgaged to secure the payment of interest amounting to considerably more than the present or prospective earnings of the monopoly), the Government railways and some other minor resources. With an

annual revenue of only 230,000,000 yen (\$115,000,000) in ordinary times, and that barely equal to the usual budget, it is difficult to see how any part of the principal of the present debt is ever to be paid. Since the war began special taxes have been levied, which netted in 1905 about 120,000,000 yen. From this, however, must be deducted the customs receipts and other sources of revenue hypothecated to pay interest on the foreign war loans. Then the interest on the war domestic loans, which is payable in gold, will eat up part of the revenue brought by the war taxes. It seems probable, therefore, that the Government will not be able, for perhaps an indefinite time, to remove the war taxes, which must be regarded as a possibly permanent burden upon the country. In a statement given out by the Government at the beginning of the year 1906 the per capita taxation entailed by the new programme is a little over four yen a year; or, under existing conditions, about one-sixth of the annual production of wealth, based upon estimates made before the war with Russia. This is, in modern times, an unprecedented burden to impose upon the wealth producing capacity of a nation.

Judging by the optimistic reports continually emanating from Tokyo and, upon occasion, from London, Japanese financiers regard the finances of their country to be in a solvent, even easy condition, and anticipate no difficulty in keeping the interest on the national debt promptly paid, or in taking up the bonds, by refunding, as they fall due. It is perhaps worth while to briefly

examine some of the aspects of this matter. It is, in my opinion, highly probable that before much time has elapsed Japan's position in the Far East will be found to be such as to alienate from her much popular sympathy in America; and perhaps also, to some extent, in England, notwithstanding the hard and fast character of the new Anglo-Japanese alliance. By that time the propaganda will have, in a measure, run its course and lost momentum and acceptance through the very energy of its exertions, and Westerners may see Japan and her policy in a clearer light. This may operate, should it come about, against the favorable placing of Japanese loans in America and Europe.

Not only this, but should Western opinion begin to turn against Japanese policy, and I think it will as the facts become generally known, one of the consequences will be to give full force and expression to the latent antipathy of the Japanese people toward the West and its fundamental ideals, the existence of which was so aptly illustrated by the anti-foreign outburst following the publication of the peace terms in Japan. The propaganda has taught the Japanese people to believe, and as far as possible disseminated the same view in the West, that in fighting Russia Japan was really fighting the battle of England and America under an arrangement by which she furnished the men and the two Western powers the money. The masses of Japanese make no distinction between the British and American governments and the people of those nations, and take literally state-

ments published in the Japanese press that the two Western powers are in hearty accord with and prepared to back the Japanese policy; and any reversal in their present attitude will be bitterly resented. In this connection it should be remembered that Japanese policy as it now appears to Americans is very different from the idea obtaining in Japan. Of course, Japanese statesmen know the real facts; but a wide intellectual gulf separates the oligarchy from the people. It may be that Japanese statesmen hope to get British and American investors so deeply involved that they will be impelled by their own interests to keep Japan financially afloat; and that this will also operate against a possible revulsion of Western popular sentiment.

On the whole, I cannot see a very flattering future for Japan in this showing. And if there are important facts and circumstances of opposite tendency I have been unable to discover them. One hears much optimistic talk, but probe it a bit for facts and it evaporates. It is clear that no matter what may be the details of Japan's real designs and ambitions, no one expects that one of their features will be military retrenchment. Quite the contrary is anticipated. One of the effects of the war is to eliminate Russia temporarily as a naval factor in the Pacific, and the fact that this is not assumed to imply a relaxation of Japan's energy in naval matters throws a beam of light upon her intentions. A new and more powerful navy is contemplated. For what? Success is a great stimulant,

and the Japanese are beginning to speak of themselves habitually as a military nation. In the absence of any probability of encroachment upon the national territory, what does a military policy seem to imply? Against whom are such prospective preparations directed? Does there loom in the background a "The Orient for Orientals" doctrine, with Japan as the leader?

Such conjectures naturally arise in any attempt to penetrate the future. But at present we need only concern ourselves with immediate probabilities, as indicated by facts and circumstances; and one probability is that before much time has elapsed Japan may find her policy opposed by one powerful, perhaps a combination of several Western powers. If this should come about, and Japan present to outside suggestion hindering her desires an outwardly resentful and belligerent attitude, the extent to which she will be able to make good such an attitude will depend upon her ability to fight a formidable opponent. This proposition has the two usual bearings—financial and military. I have already sufficiently reviewed her present and prospective financial situation. As to Japan's future status as a military power, the Western world should begin to consider whether, in the light of probable events, it is willing to lend the money to pay for its continuation and further development. For the money cannot be found in Japan. The chief reason for the anxiety of Japanese statesmen to bring the war with Russia to an end lay in the financial situation of the country, although when hostilities terminated Japan had

about reached a state of arrested progress in military matters.

One is compelled to admire the success that has attended the efforts of Japan so far, especially when her methods are considered. But her future pathway is strewn with pitfalls. In her embarkation upon this war and the policy it foreshadows is recognizable the inherent gambling instinct of the Oriental. By nature optimistic, the national spirit, directed by the oligarchy, has been thrown with its full force into a movement which depends for ultimate success upon the favorable turning of all of a great number of chances. Should Japan continue by her propaganda to blind the English and American people to her impoverished national resources to the extent of obtaining future loans; should she continue successfully to bamboozle the Western world as to her real intentions and their meaning, and even when discovered so use her diplomacy as to prevent concerted action to check her; should she by these means manage to struggle along for a decade under the burden of huge expenditure until Korea and Manchuria can be converted into sources of possible profit, and her hold upon China strengthened; should she extricate her internal affairs from the disastrous state in which the termination of the war will leave them; should she accomplish all these things—and one depends largely upon the success of the other—she may eventually win out. She is a nation that has taken a chance in the great international lottery, with the odds enormously against her; and the seeming policy of her statesmen can only be soberly

regarded as the action of men who have wittingly embarked in a mad gamble with destiny. Should they eventually succeed it will be the result of good luck rather than well-calculated management. Certainly the nerve to "play the game" is not lacking.

CHAPTER IV

THE SEIZURE OF KOREA

The Political Struggle Between Japan and Russia in Korea — Antecedents to the Late War — Japanese and Russian Diplomatic Methods Compared — The Ante-Bellum Negotiations — Advantage of the Japanese — Control of Communications — Interruption of Telegraph Service — Mr. Pavloff's Obtuseness — The Breaking off of Diplomatic Relations — The Situation in Seoul — Landing of Japanese Troops — The Situation at Chemul-po — Diplomatic Dinners at Seoul — The Critical Moment.

As one advances in the study of conditions in the Far East, seeking to discover in the happenings and analogy of recent great events and present conditions some clues that may serve as guide posts for the future, it is increasingly interesting to scrutinize the woof upon which the existing sympathy among Western peoples with many of the actions of Japan has been woven. It becomes clearer as I progress that much of it is founded upon an impression that in the political manoeuvring and diplomatic correspondence which led to and preceded the late war Japan played the game fairly, while the reverse is true of Russia.

This is a matter of considerable importance, aside from the academic interest attached to the

details of great political moves; for the methods and motives governing Japanese diplomacy have become, through her success, closely related to the issues involved in the eventual settlement of the Far Eastern question. Encountering this subject, with its attendant effects and tendencies, at every turn, I find a growing difficulty in thrusting it aside. It crops up in a hundred forms, always seeming to say: "You will have to pay some attention to me sooner or later." Fortunately, I found while in Korea some very interesting material bearing upon the whole matter, of a character which tempts me to step for a time into the past, and inject into this discussion a chapter of history. I feel justified in so doing, if special justification is needed, because I have been assured that, while probably most of the material facts have been from time to time published in a disconnected way, no complete and unprejudiced account of an interesting incident has yet been given to the world.

It is a matter of common belief in most countries that for centuries Russian diplomacy has, in regard to many important questions, been conducted along what are usually spoken of as "shady" lines. As experience has gradually confirmed this impression, it has passed into a proverb. I will not pause here to inquire into the justice or injustice, on broad grounds, of this accusation, nor the part played in disseminating it in the past and present by the British press and news services. My own belief is that there is good foundation for the prevailing opinion, although in the diplomatic relations between

Russia and the United States there was little that gave it ground before the question of the evacuation of Manchuria by Russia was broached by Mr. Hay. This brought the Manchurian question prominently before the world, fixing public attention upon Russia's constant evasions. Japan, with a clear record, so far as the Western public knew, thus was able to start her negotiations with Russia with a strong popular presumption of good faith. It is hardly necessary to trace the origin of Western opinion in this connection further, especially as I have already dealt quite extensively with that proposition. As a consequence, when the war between Russia and Japan began and circumstances surrounding the breaking off of diplomatic relations and the commencement of hostilities gave rise to a dispute concerning the facts and precedents involved, the Western press showed a marked disposition to accept the Japanese explanation and view. The matter created quite a lively interest for the moment, but was soon overshadowed by the events of the war, and so it still remains. But the influence of the incident upon the future of diplomacy promises to have great vitality, and the time seems opportune, while almost all the persons who are familiar by actual contact with the circumstances are living, with the facts still fresh in their minds and capable of being tested in a not too distant perspective, to revive the subject. So I have decided, after a careful investigation, to write an account of the closing phase of Russo-Japanese diplomatic negotiation, especially as illustrated by the outbreak of hos-

tilities in Korea, as an introduction to a consideration of existing conditions in the Hermit Kingdom.

A brief review of the political struggle between Japan and Russia in Korea will throw much light on the subject. This struggle began soon after the war between China and Japan, and continued with varying intensity to the recent war. Prior to the China-Japan war, Russia had taken apparently little interest in Korea, as her Far Eastern policy was then in a nebulous state. Japan's easy and unexpected victory over China, and consequent demolition of the long-standing sovereignty of China over Korea, gave the latter kingdom a new political status. From a vague sort of dependency she suddenly emerged into a real autonomy, with Japan as sponsor. This awoke Russia to a realization that a new power had arisen to influence the future of Korea, and it is to the credit of the political acumen of her statesmen that they were the first to grasp what was involved in the new condition, and what a policy of expansion by Japan meant. This marked a change in Russia's Eastern policy. It ceased to drift, and quickly took definite form. She and Japan clearly saw in each other real rivals, and thus began the conflict of interests which led to the late war.

To enter into the details of the ten years' diplomatic contest between Russia and Japan in Korea would be illuminating, but hardly worth while now. It would be little more than a narration of a long succession of political schemes, promoted on both sides by the usual diplomatic trickery, and at-

tended by varying success. On the whole, however, Russia was more generally successful, and steadily gained ground. Realizing this, Japan determined to force the matter to an issue without further delay. She knew that she was prepared for war, while Russia was not, and that lapse of time would steadily diminish her advantage on that score. Consequently, Japan began the negotiations which ultimately led to war. In this connection it is proper to point out that not only does the logic of events clearly show that Russia did not desire war, but she had every practical reason for avoiding it. She was already in control of one of the chief bones of contention, and the most valuable one, namely, Manchuria; and she asked nothing better than to be left quietly in possession. Again, she was slowly getting the advantage in the diplomatic game in Korea. She had everything to gain by peace, and nothing to gain by war. In fact, everything goes to show that, even up to and after the severance of diplomatic relations by Japan, the Russian Foreign Office and its diplomatic representatives in the East failed to realize that war was at hand. These facts, which should by now be clear to any unprejudiced mind, have nothing to do with the right or wrong of the dispute between the two countries.

When the war began, and for some time prior to it, the Japanese and Russian governments were represented at Seoul by, respectively, Gonsuke Hayashi and Paul Pavloff. Both were men of considerable experience and familiarity with the

course of events in the Far East during the previous decade. Of the two, Pavloff had the greater reputation, largely based upon his successful negotiation, while Chargé d'Affaires at Peking, of the Russian lease of Port Arthur and the Kwangtung peninsula. He was sent to Seoul in 1899, and on the whole it may be said that up to the eve of the war he managed Russian interests very well. But at the critical moment he permitted himself to be duped in a manner that is likely to prove a lasting stain upon his diplomatic record. It cannot be denied, however, that when the crisis came the Japanese had a decided advantage.

Up to the latter part of January, 1904, things went on much as usual in Seoul. It is true that almost the entire diplomatic body, except Mr. Pavloff, was by that time convinced that war was inevitable. Even the not very astute Emperor saw the shadow of forthcoming events, and issued a proclamation declaring the neutrality of Korea. Late in January Mr. Pavloff seems to have discovered that his line of communication with his government was being tampered with. As a consequence, two Russian warships, the "Variag" and "Koreitz," were sent from Port Arthur to Chemul-po to be used, if necessary, by Mr. Pavloff to carry despatches.

It is necessary to consider, in this connection, the means that existed at the time for telegraph communication between Korea and other parts of the world. The one avenue then was a cable between Shimonoseki, Japan, and Fusan, Korea. All messages leaving or entering Korea must,

therefore, pass through Japanese hands. I had some difficulty in tracing the origin of this concession, and have not been able to secure exact information about its terms. The cable was laid in 1884, and the concession seems to have carried with it certain privileges in connection with the operation of local land lines throughout Korea. This latter privilege was, however, disputed; for subsequently concessions to construct and operate telegraph lines were granted to other parties. In those days securing a concession in Korea was often a matter of bribing officials. Once laid, the Japanese cable engaged in business with the world through an arrangement with the Great Northern Telegraph Company, a Danish corporation doing an extensive telegraph business between Europe and the Orient. It is believed that there were not originally any specific terms to the Japanese cable concession, as when it was secured few persons in Korea had any idea of what it meant; and it has been to the advantage of the Japanese to allow the matter to remain in an indefinite form, which permits it to be stretched whenever opportunity or necessity arises. This concession belongs to the good old days of commercial piracy in the Far East, which are now, fortunately, passing. But by its association with the Danish company, thus entering into the world's system of communication, it undoubtedly assumed certain responsibilities, for performance of which civilization can hold it to account. Although its special privileges have been vigorously disputed upon occasion, the Japanese cable has so far managed to fight off

competition through pressure brought to bear upon the Korean Government. Not long before the war, when the Russians wanted to connect their Manchurian telegraph line at the Yalu with the Korean line on the south bank, and actually did so, the Japanese Government succeeded in having the Korean Government sever the connection in the interest of the cable monopoly.

There is no denying, then, that when the war began it was quite possible for the Japanese Government, if it desired, to stop any or all telegrams passing between Korea and the outside world. As to whether it really interfered with such communication, *there is not the slightest reasonable doubt that it did*. In so doing the Japanese Government did not adopt the usual method of announcing its intention and notifying interested persons of the terms upon which messages would be sent or received. To do this would not only have exposed its intentions and destroyed much of the utility of the action, but it would have been a flagrant violation of the neutral rights involved. War had not begun. Secrecy was required, and so secrecy was employed. To have stopped all telegrams would have at once revealed what was being done, so the Japanese contented themselves with stopping only press despatches (some of which were forwarded after being censored) and private telegrams that might have a bearing on the political crisis. Except telegrams from the Russian Government to Mr. Pavloff, a majority of business and private telegrams coming into Korea were permitted to pass, and the recipients, not knowing

that their replies were not being sent through, did not for the moment suspect anything. Of course, this could not have been long kept up without causing suspicion and discovery, and it was not resorted to until the Japanese Government had fully resolved upon war and was shaping affairs so as to cause the advantage to rest with it at the moment of collision. The first blow has settled many a fight. When this interference, before the war had been declared and without any notice or advice, with private and business telegrams became known in Korea (which was soon after hostilities opened), much indignation was felt, and a number of complaints made. Rather than have the matter ventilated, the Japanese Government chose quietly to settle, by pecuniary remuneration, some business losses caused thereby; and tolls that had been prepaid on a few telegrams were also refunded. During the last day or two before hostilities began even mails to and from Korea that passed through Japan were delayed.

Diplomatic relations between the two countries were severed February 6, 1904. Although it was not known at the time, Admiral Uriu's squadron, convoying troops to seize and occupy the Korean capital, had already left Japan. Even before negotiations were formally broken off, Japan, as is now known, had begun hostilities by the seizure of Russian ships at sea. The "Russia" was seized in the Korean Strait on February 5th, and one or two smaller Russian merchant vessels were seized off the Korean coast either on the same or the following day. These ships were taken into Japanese

ports and afterward condemned as prizes by the Japanese prize courts.

While these stirring events were occurring, with hostilities (although no one knew it except the Japanese Government) actually begun, Mr. Pavloff remained in complete ignorance at Seoul. It is difficult to conceive, in a trained diplomat, such a state of mind as he appears to have been in at this period. Although, on his own statement, he had not heard from his government for several days, he does not seem to have felt the slightest uneasiness. He had all along refused to entertain the notion that war was a probability. He was utterly unable, so heartily did he despise them, to take the Japanese seriously; and in this attitude probably lies the explanation of his undoing. The "Variag," a fast cruiser, was lying in Chemulpo harbor, and could have brought information from Port Arthur in two or three days at any time. Yet it does not seem to have occurred to Mr. Pavloff to use this means of communication until February 8th, two days after diplomatic relations had been suspended. And even then he does not appear to have considered time of pressing importance, for instead of the "Variag" he ordered the "Koreitz," a small and slow gunboat, to proceed to Port Arthur.

Acting upon this order, the "Koreitz" did start; but before it had cleared the bay it met the Japanese fleet under Admiral Uriu, escorting the transports. There is a conflict of statements about what occurred here, and there were no neutral witnesses. The commander of the

"Koreitz" reported that he was proceeding on his course when he sighted the Japanese fleet emerging from the south channel. Although their appearance was unexpected and suggestive, he continued on his course until a number of Japanese torpedo boats advanced in what he described as a threatening manner. Upon seeing this, the commander of the "Koreitz" ordered that his ship be cleared for action; and in obeying this order a small gun was accidentally discharged, whereupon the Japanese discharged a number of torpedoes at his ship. Noting the tremendous superiority of the Japanese, and finding his course blocked, the commander of the "Koreitz" returned to report the incident to his superior, the commander of the "Variag."

The Japanese version is that when the "Koreitz" was observed to be approaching, not knowing but that her intention might be hostile, the torpedo boats were ordered forward, and upon being fired upon they discharged their torpedoes, but did not pursue the enemy.

Placed thus between two contradictory versions, the impartial inquirer can only judge the facts by the surrounding circumstances. On the previous night, during the darkness, a small Japanese gunboat which had for some time been at Chemul-po, weighed anchor and left. When daylight came it was gone. There is no doubt that it went to meet Admiral Uriu and either carry despatches to him (remember that he had been for at least a day, assuming that he put into Fusan for despatches, out of communication with his government) or

report the situation at Chemul-po, or both. Admiral Uriu knew that hostilities had begun, but the Russian commander did not. Had the Russians desired to take advantage of circumstances (assuming that they knew that diplomatic relations were broken off, and chose to construe that as a state of war), it would have been easy for the "Variag" and "Koreitz" to have sunk the small Japanese gunboat, captured a number of Japanese merchant vessels lying in the harbor, and taken them to Port Arthur, before the Japanese fleet arrived. There is no hypothesis that will bear reasonable interpretation, that occurs to me, that can be distorted to show that the Russian naval officers in Chemul-po knew of the suspension of diplomatic negotiations, much less that they regarded this action as a declaration of war. On the other hand, knowing that hostilities had been commenced by Japan, Admiral Uriu's action is easily understood. In view of the fact that during that night he blockaded the Russian ships in the harbor and destroyed them the next day, it may be suggested that had his intention in ordering forward the torpedo boats been hostile he might have completed the job then and there. But there were several good reasons why he should not do so. He was convoying transports laden with troops, and aside from the fact that they would have been endangered by a naval fight in close waters, it was of first importance to get them landed without delay. It seems to me, therefore, that the statement of the Russian captain is the more plausible concerning matters where there is a conflict. The

fact that the "Koreitz," when it left the inner harbor, was not cleared for action, indicates that no hostile collision was expected.

As soon as he had brought his ship to anchor, learning that the commander of the "Variag" had gone to Seoul, the commander of the "Koreitz" hurried ashore to communicate the facts to the Russian consul in Chemul-po. The consul reported afterward that he was unable to communicate with Seoul either by telephone or telegraph, both having been seized by the Japanese; which compelled him to send a native runner to Seoul with the news. The Japanese deny that they interfered with communication on this occasion, but here other evidence is obtainable, which conclusively shows that they did. Circumstances also bear out the Russian consul's version.

The night of February 8-9 was an exciting one in diplomatic and official circles in Seoul. Every one except the Russian minister had been at tiptoe of expectation for several days. While it was not known in Seoul, except by the Japanese officials, that diplomatic relations had been severed, it was felt that the crisis was at hand, and developments were expected almost hourly. None of the other foreign ministers had been able for several days to hear from his government (undoubtedly due to the Japanese interference with telegraphic service), and every one was in a state of suspense. It chanced that on this evening an official dinner party was being given at the German legation, which was attended by a number of members of the diplomatic body, including the

Japanese minister and some attachés of the Russian legation. Mr. Pavloff for some reason did not attend, but had dinner at the Russian legation with a few friends, including the American minister.

The dinner at the German legation passed off without unusual incident. The Japanese minister is reported to have been in particularly good spirits. He took pains to be extremely cordial to the Russians present, expressing to one of them the hope that the existing strained relations between the two countries would soon pass, a sentiment that was toasted in a glass of champagne. At that very hour the Japanese troops were being landed at Chemul-po and loaded into trains to be forwarded to Seoul. Some persons who were present afterward recalled that just as the party was separating a message arrived for one of the Russian attachés, who seemed disconcerted by it and hastened his departure.

At the Russian legation Mr. Pavloff, who on the score of his agreeable personality enjoyed wide popularity, was in especially good form. The American minister, it appears, had somehow heard of the arrival of the Japanese transports at Chemul-po, and mentioned it to the Russian minister, supposing that he already knew it. To his surprise he found that Mr. Pavloff had not heard it. That such a move was totally unexpected to the Russians is also shown by the fact that the commander of the "Variag" was present at this dinner. I believe that about the same time Mr. Pavloff learned, from another source, of the

seizure of the "Russia." Mr. Pavloff, although surprised, did not seem to regard even these events as indicating war, and his spirits did not appear to be affected. Later in the evening, however, he changed his view. This alteration in demeanor, which was observed by some of those present, was probably due to the arrival of the runner with the message from the commander of the "Koreitz." What must undoubtedly have been a great shock to Mr. Pavloff did not prevent him from entertaining his guests during the remainder of their stay just as if nothing unusual had happened. He awoke the next morning to find himself virtually a prisoner in the legation. Four days later he left Korea.

CHAPTER V

A QUESTION OF NEUTRALITY

Arrival at Chemul-po of the Japanese Fleet — Admiral Uriu's Ultimatum — Action of Foreign Naval Commanders — The "Vicksburg" Incident — Conduct of the Russian Naval Commander — Failure of the Neutral Intervention — Opening of the Fight — Destruction of the Russian Ships — International Aspects of the Incident — Diplomatic Correspondence — The Russian Charges — The Japanese Reply — The Truth About the Matter.

At Chemul-po the night of February 8-9, 1904, destined to be so memorable, passed quietly. Before dawn all the Japanese troops had been landed. The first train from Seoul that morning carried the commander of the "Variag," who was on board his ship quite early. The Japanese fleet could be seen, as the haze lifted, lying some distance away in the bay, guarding the channels.

It was not necessary to wait long for developments. About 9.30 o'clock the Japanese consul in the town sent to the Russian and British consuls (no other nationalities were represented) a formal notice from Admiral Uriu, in the form of an ultimatum. In substance, this notice stated that Admiral Uriu would give the Russian ships until 12

o'clock (noon) to leave the harbor, and if by 4 o'clock in the afternoon they had not moved, his ships would come in and sink them at their anchorage. Neutral interests were accordingly warned to take notice. The Russian consul immediately communicated with the captain of the "Variag," and the British consul undertook to notify the other foreigners.

There were at that time in the harbor four other foreign warships: the "Talbot" (British), the "Elba" (Italian), the "Pascal" (French), and the "Vicksburg" (American). The commanders of these ships were invited to a conference on board the "Talbot" to decide what action should be taken. The commander of the "Vicksburg" attended the conference, but explained to the other commanders that he had received explicit instructions from his government to take no part in any international action should trouble occur. He then withdrew to his ship and moved her to another berth, where she would be less liable to damage if shells should reach the inner harbor. It will probably be many years before Russians, particularly the Russian navy, will forgive this action of the "Vicksburg," and many bitter references were made in the Russian press to the incident. It is true that the commander of the "Vicksburg" had no discretion in the matter, and had he acted differently it would not have made the slightest difference. But owing to the cordial relations between the Russian and American navies, extending over a century, the Russian officers felt the matter very keenly at the time.

No complete report of what took place at the conference on the "Talbot" has been made public, but in one way and another the main facts have come out. The British, French and Italian commanders at once decided that Admiral Uriu was proposing to commit a gross breach of international law, and they unanimously resolved to give the Russian ships whatever protection they could. A message was sent to the commander of the "Variag" informing him of this determination, and advising him to refuse to leave the harbor. Meanwhile, the "Talbot," "Elba" and "Pascal" cleared for action. All the superfluous woodwork on the boats was torn out and thrown overboard. In an hour the inner harbor was strewn with this sort of wreckage. But while a tremendous international contretemps was thus hanging in the balance, the commander of the "Variag" sent word thanking the commanders of the British, Italian and French ships for their offer, and expressing his resolution not to involve them, but to go out and fight. Meanwhile, however, a launch from the "Talbot," in command of a young British officer, had been sent to convey to Admiral Uriu a protest against his proposed action by the commanders of the British, French and Italian ships. As the Japanese ships were lying well out, some time was required for the launch to reach the flagship.

It was now getting close to noon, the hour fixed by Admiral Uriu's ultimatum for the Russian ships to come out. The commander of the "Variag" ordered the commander of the "Koreitz" to remain in the harbor and blow up his ship, while

the "Variag" should make a dash and attempt to escape. It seems that the commander of the "Koreitz" refused to do this, and insisted on being permitted to go out also. To this the commander of the "Variag" finally consented, although in so doing he completely destroyed whatever chance he had of saving his own ship. Alone, the "Variag" with her speed, might have got away, but handicapped by the "Koreitz" the attempt was futile. So, shortly before noon the two ships weighed anchor and steamed slowly out into the bay.

As to what happened to the British launch bearing the protest of the three neutral commanders, here again the facts have been officially suppressed. But such facts have a way of leaking out. There are two versions of the incident. The more accepted one is that the launch reached the flagship, and that while the officer was boarding her the first shell fired by the Japanese fleet at the outcoming Russian ships went screaming across the bay. It was then too late. Another version is that the launch had almost reached the flagship when the first shot was fired, and that it was compelled to turn back without being able to deliver the protest. The haze prevented the watchers on shore from being able to determine positively whether the launch gained the flagship in time. It is openly asserted and believed among foreigners in Korea that when Admiral Uriu saw that the British launch wanted to speak to him, suspecting the object of the mission, he hoisted the signal to commence firing and began the fight, although the enemy was then about four miles away. At any

rate, the mission of the launch proved fruitless. All concerned discussed the matter quite freely at the time, but the foreign ships were quickly ordered away and the seal of official restraint placed on the lips of the officers. It is believed that the British Government was greatly displeased by the action of the commander of the "Talbot," and if any insult to England was involved in the incident of the launch and its reception, the British Government has seen fit to repress its pride as it has suppressed the facts, in the interest of its ally.

It should be remembered that all this took place before war had been declared between Russia and Japan, in a neutral port of a neutral country.

The story of the naval fight has been so often told that I will not repeat it here. It was utterly hopeless for the Russians from the beginning. The Japanese fleet, consisting of seven large ships and a number of smaller ones, concentrated its fire upon the "Variag," paying no attention to the "Koreitz." The Japanese marksmanship was very poor, but finally the "Variag" was disabled and turned back toward the harbor, where her commander opened her cocks and sank her in shallow water. Boats and launches from the other foreign warships rescued her crew. The "Koreitz" returned to the inner harbor practically unscathed. A short time afterward the other shipping in the harbor was notified that the "Koreitz" would be blown up, which was done. The commander of the "Variag" explained after the fight that his reason for refusing the protection of the foreign warships

was because he felt that his military honor would be stained if he attempted to hide under the cover of neutral ships, and he preferred to fight against hopeless odds rather than accept such an alternative.

Such is the story of the beginning of hostilities in Korea, as I learned it from persons who are familiar with the facts. If into some of the trivial details error has crept, it is due to the inevitable variation of people's memories and impressions. But as to the fundamental facts, there is practically no difference of opinion. I asked at least fifty persons in Korea, who by nationality and position are presumably neutral and unprejudiced, the question: "Did the Japanese before the war interfere with telegraphic communication with the outside world?" Not a single person answered in the negative. I also asked them: "Do you believe that the Japanese stopped telegrams from the Russian Government to Mr. Pavloff?" Every person answered emphatically in the affirmative. I admit that I did not put this question to any Japanese or Russians.

It could not be expected that even in the excitement attending the beginning of hostilities such an incident would pass without international comment. The Russian Government, as soon as it could communicate with its representatives who were affected, issued a statement to the world. To this the Japanese Government replied, which was followed by a rejoinder from Russia. These documents formulate the official points of view, and should be permitted to speak for themselves.

I therefore reproduce them here, complete. On February 11, 1904, Count Lamsdorf, the Russian Minister of Foreign Affairs, gave out the following circular note:

"Since the rupture of the negotiations between Russia and Japan, the attitude of the Tokyo cabinet has constituted an open violation of all customary laws governing the mutual relations of civilized nations. Without specifying each particular violation of these laws on the part of Japan, the Imperial Government considers it necessary to draw the most serious attention of the Powers to the acts of violence committed by the Japanese Government with respect to Korea. The independence and integrity of Korea as a fully independent Empire have been fully recognized by all the Powers, and the inviolability of this fundamental principle was confirmed by Article 1 of the Shimonoseki treaty, and by the agreement especially concluded for this purpose between Japan and Great Britain on January 30, 1902 (Anglo-Japanese alliance), as well as by the Franco-Russian declaration of March 16, 1902. The Emperor of Korea, foreseeing the danger of a possible conflict between Russia and Japan, addressed, early in January, 1904, a note to all the Powers, declaring his determination to preserve the strictest neutrality. This declaration was received with satisfaction by the Powers, and was ratified by Russia. According to the Russian Minister to Korea, the British Government, which had signed the above-mentioned treaty with Japan on January 30, 1902, charged the British diplomatic representative at Seoul to present an official note to the Emperor of Korea, thanking him for his declaration of neutrality. In disregard of all these facts, in spite of all treaties, in spite of all its obligations, and in violation of the fundamental rules of international law, it has been proved by exact and fully confirmed facts that the Japanese Government,

"1. Before the opening of hostilities against Russia, landed its troops in the independent Empire of Korea, which had declared its neutrality.

"2. With a division of its fleet made a sudden attack on February 8th—that is, three days prior to the declaration of war—on two Russian warships in the neutral port of Chemul-po. The commanders of these ships had not been notified of the severance of diplomatic relations, as the Japanese maliciously stopped the delivery of Russian telegrams by the Danish cable and destroyed the telegraph communication of the Korean Government. The details

of this dastardly attack are contained and published in an official telegram from the Russian Minister at Seoul.

"3. In spite of the international laws above mentioned, and shortly before the opening of hostilities, the Japanese captured, as prizes of war, certain merchant ships in the neutral ports and waters of Korea.

"4. Japan declared to the Emperor of Korea, through the Japanese Minister at Seoul, that Korea would henceforth be under Japanese administration, and she warned the Emperor that in case of non-compliance Japanese troops would occupy the palace.

"5. Through the French Minister at Seoul she summoned the Russian representative at the Korean Court to leave the country, with the staff of the Russian legation and consulate.

"Recognizing that all the above facts constitute a flagrant breach of international law, the Imperial Government considers it to be its duty to lodge a protest with all the Powers against this procedure of the Japanese Government, and it is firmly convinced that all the Powers, valuing the principles which guarantee their relations, will agree with the Russian attitude. At the same time, the Imperial Government considers it necessary to issue a timely warning that, owing to Japan's illegal assumption of power in Korea, the Imperial Government declare all orders and declarations which may be issued on the part of the Korean Government to be invalid. I beg you to communicate this document to the government to which you are accredited.

"LAMEDORF."

On March 9, 1904, the Japanese Government replied as follows:

"The Russian Government are understood to have recently addressed a note to the Powers, in which the Japanese Government are charged with having committed certain acts in Korea which are considered by Russia to be in violation of international law, and in which Russia further declares all future orders and declarations of the Korean Government to be invalid. The Imperial Government do not find it necessary in the present instance to concern themselves in any way with views, opinions or declarations of the Russian Government, but they believe it to be their right and duty to correct misstatements of facts which, if permitted to remain uncontradicted, might give rise in the opinion of neutral Powers to incorrect inferences and conclusions. Accordingly, the Imperial Government desire to make the following statement respecting the five acts which

are declared, in the Russian note above referred to, to be fully proved and confirmed facts:—

“1. The Imperial Government admit that a number of Japanese troops landed in Korea before the formal declaration of war was issued by Japan, but they must say that such landing did not take place before a state of war actually existed between Japan and Russia. The maintenance of the independence and territorial integrity of Korea is one of the objects of war, and, therefore, the despatch of troops to the menaced territory was a matter of right and necessity, which, moreover, had the distinct consent of the Korean Government. The Imperial Government, therefore, drew a sharp distinction between the landing of the Japanese troops in Korea in the actual circumstances of the case and the sending of large bodies of Russian troops to Manchuria without the consent of China, while peaceful negotiations were still in progress.

“2. The Imperial Government declare that the Russian allegation that they stopped the delivery of Russian telegrams by the Danish cable and destroyed the Korean Government's telegraphic communication is wholly untrue. No such acts were done by the Imperial Government. Regarding the sudden alleged attack, on February 8th last, upon two Russian men-of-war in the port of Chemul-po, it is only necessary to say that a state of war then existed, and that, Korea having consented to the landing of Japanese troops at Chemul-po, that harbor had already ceased to be a neutral port, at least as between the belligerents.

“3. The Imperial Government have established a Prize Court, with full authority to pronounce finally on the question of the legality of seizures of merchant vessels. Accordingly, they deem it manifestly out of place to make any statement on their part regarding the Russian assertion that they unlawfully captured as prizes of war the Russian merchantmen which were in the ports of Korea.

“4. The Russian Government allege that the Japanese Government declared to the Emperor of Korea through their Minister at Seoul, that Korea would be henceforth under Japanese administration, and warned the Emperor that in case of non-compliance, Japanese troops would occupy the palace. The Imperial Government declares this charge to be absolutely and wholly without foundation.

“5. No demand, either direct or indirect, was addressed by the Japanese Government to the Russian Minister at Seoul to retire from Korea. The fact is as follows: On February 10 last, the French Chargé d'Affaires at Seoul called on the Japanese Minister there and informed him, as it was afterwards confirmed in writing,

that it was the desire of the Russian Minister to leave Korea, and asked the opinion of the Japanese Minister on the subject. The Japanese Minister replied that if the Russian Minister would withdraw in a peaceful manner, taking with him his staff and the legation guard, he would be fully protected by Japanese troops. So he withdrew of his own free will on the twelfth of the same month, and an escort of Japanese soldiers was furnished for him as far as Chemul-po. The Russian allegation that the Japanese Government forwarded a summons through the French representative in Korea to the Russian Minister to leave Korea is, therefore, not true. In this connection it may be remarked that the Russian consul at Fusan remained at his post as late as February 28 last. It is reported that he was compelled to stay so long owing to the absence of instructions which the Russian Minister apparently did not think of giving to the consul before his own departure from Seoul. When it was known that the necessary instructions had at last reached the Russian consul, and that he desired to leave Fusan as soon as possible, the Japanese consul at the same port offered him every facility for his departure, and his passage to Shanghai via Japan was arranged by the Japanese consul."

To this the Russian Government retorted on March 12th, as follows:

"Japan's argument that she was justified in landing troops in Korea before the declaration of war, because she had Korea's permission, and also that these troops arrived in Korea after 'the existence of a state of war,' is without value, as Korea in January promulgated her neutrality to the Powers, which received it warmly, Great Britain even officially conveying expressions of gratitude to the Korean Government. Therefore, no state of war gave the Japanese the right to violate her neutrality by landing troops in her territory. Even the consent of Korea, though extorted by the Japanese, is without force, from the fact that the despatch of troops was not only before the war, but before the breaking off of diplomatic relations, as clearly established and indeed acknowledged by the Japanese themselves.

"Japan's contention in defence of the attack upon the Russian ships at Chemul-po, that the port was not neutral on February 9, is false again, because Korea had proclaimed her neutrality.

"Japan's denial of malicious interference with the transmission of Russian telegrams over the Danish cable cannot be sustained. A telegram to Baron Rosen (then Russian Minister to Japan) at

Tokyo, sent from St. Petersburg February 4, was not delivered until the morning of February 7. That delay did not occur on the Siberian line, as is shown by the fact that a telegram for Viceroy Aliexieff, sent at the same time, was received the same day. Therefore, it is conclusive that the Rosen telegram was held by the Japanese and not delivered for two days. Communication with M. Pavloff (then Russian Minister to Korea) by the Korean telegraph ceased in the middle of January. As the Koreans were enjoying friendly relations with Russia, there is good ground for believing that the interruption was due to the Japanese. Thereafter M. Pavloff used a mail steamer or special warship to communicate with Port Arthur. The Minister of Russia at Seoul, February 8, therefore, knew nothing of the diplomatic rupture.

"Japan pleads that the charge against her seizure of Russian merchantmen before the declaration of war cannot lie after the establishment of prize courts. Their seizure before the declaration of war, being piracy, is not defensible by the establishment of prize courts which cannot exist before a declaration of war. The steamer 'Russia' was seized in the waters of southern Korea even before M. Kurino had presented his note here.

"Our information regarding Japan's announcement that in future Korea would be under her administration came from M. Pavloff and also from the representative of a friendly Power at Seoul. Japan's denial, consequently, is fruitless, as also is the attempt to refute our statement that the Russian Minister and Consul at Seoul were told to leave. We had conclusive proof in St. Petersburg on February 10 that the French Minister at Seoul had officially notified our representatives that the Japanese Government had intimated that they should leave, and that the Japanese had occupied territory in Korea. [M. Pavloff was unable to notify our Consul at Fusan, his telegram being refused at the telegraph office."

It will be noticed that in the presentation of her contention to the Powers, Russia made five distinct charges against Japan. First, that Japan landed troops in Korea before a declaration of war; second, that Japan attacked and destroyed two Russian ships in the harbor of Chemul-po before war had been declared and while the port was entirely neutral, and prevented telegrams

from reaching the Russian officials in Korea; third, that Japan seized Russian merchant ships in neutral waters before diplomatic relations had been severed; fourth, that Japan arbitrarily assumed administrative authority in Korea in violation of the independence and neutrality of that country; fifth, that the Japanese authorities practically hustled the Russian officials in Korea out of the country.

In reply Japan admits the first charge, but asserts that she landed troops by permission of the Korean Government. Japan positively denies that she prevented telegrams from reaching Mr. Pavloff, and asserts in regard to the attack upon the Russian warships that a state of war already existed. As to the alleged seizure before the severance of diplomatic relations of Russian merchant vessels, Japan states that she had established prize courts to adjudicate such matters. It is significant that she does not deny having seized the ships. Japan denies that she notified the Korean Government that she intended to assume the administrative control of the country. Japan denies that her representative notified the Russian Minister to leave Seoul.

Now, once more as to the facts. Japan undoubtedly did, and admits that she did land troops in Korea prior to a declaration of war, and asserts that she had Korea's permission to do so. This is a mere quibble. Korea's consent in that matter was like her consent to the present administration of her affairs by the Japanese. Moreover, the Korean officials were as much surprised at the

landing of the troops as were the Russian and other foreign diplomats. Japan admits that she attacked and destroyed the Russian warships in the harbor of Chemul-po, but advances the argument that since she had already landed troops it had ceased to be a neutral port. This is another quibble. Stripped of its verbiage, it assumes that since the neutrality of the port had already been violated by landing troops, it was no longer a neutral port. Meanwhile, until the Japanese Admiral got ready to attack them, the Russian ships were blockaded in the harbor. Japan denies that she interfered with telegraphic communication, and that she stopped telegrams from the Russian Government to Mr. Pavloff. I have already given fully my reasons for believing this denial to be absolutely false. Japan evades the charge of seizing Russian ships before diplomatic relations had been severed, but does not deny it. It is undoubtedly true. Japan denies that her representative informed the Korean Emperor of Japan's intention to administer the affairs of the country, and warned him not to resist. This is another quibble. Japan did at once assume the administration of the country, and still holds it absolutely. As to the facts surrounding the departure of the Russian officials from the country, there is a question of veracity as to the details between the Japanese Minister on one side, and the French and Russian ministers on the other. I have not the slightest doubt, from what I could learn in Korea, that, whatever may have been the method employed, the Japanese compelled the

Russians to leave the country. So here we find another quibble.

In the Russian rejoinder, a matter not previously dealt with is brought forward. The Russian Government asserts that on the eve of the war, at the moment of the severance of diplomatic relations, telegrams from the Russian Foreign Office to the Russian Minister in Tokyo were held by the Japanese Government from February 4 until February 7 (1904). It will be remembered that Mr. Kurino's note severing relations was presented to Russia on February 6. So just at this critical period the Russian Government claims that it was cut off from communication with its representative in Tokyo, and that this had a material bearing upon the outbreak of the war. While in Japan I investigated this matter as well as I was able. Of course, no information can be obtained from the Japanese Government, except in confirmation of the official position. But I found that a very distinct impression concerning the incident existed, and there is a very general disposition among foreigners residing in Japan to credit it. It would certainly be in harmony with Japan's actions in Korea during the same period.

So, with all the evidence I can obtain before me, I do not hesitate a moment in finding, so far as all material facts at issue in this dispute are concerned, in favor of the Russian contention, and I believe this to be the opinion of almost the entire foreign population of Korea without regard to nationality. Apologists for Japan seem to base their defence of her on three grounds. First, she did not

stop the Russian Minister's telegrams; second, if she did the Russian Minister had other means of communication, namely, by ship to Port Arthur; third, if Japan did interfere with telegraphic communication, she had a right to do so, and any other nation would have done the same under the circumstances.

I will leave discussion of these propositions to the statistis. I only insist that a correct knowledge of the facts is essential to any fair discussion. What Russia has done in the past has nothing to do with this particular affair. In regard to this, it is certainly proper that both nations be judged by the facts, in order that the world may arrive at a just estimation of their purposes and what is to be expected of them in the future.

CHAPTER VI

JAPAN IN KOREA

Assurances of Japan Respecting Her Intentions in Korea — Ante-Bellum Statements — The First Protocol — This Remarkable Instrument Examined — Usurpation of Korean Autonomy — Coercion of the Korean Emperor and Cabinet — Resort to Intimidation — The Emperor's Vain Appeals to the Foreign Ministers — Construction of Railways — The Second Protocol — Further Abolition of Korean Autonomy — Effects of the Japanese Occupation — Attempt at Financial Reform.

NOTWITHSTANDING that the kingdom of Korea has lately been the scene of important changes, and constitutes a piece in the international chess game now being played in the Far East, discriminating persons who have endeavored to follow events there must have noticed that there has been a paucity of news since the beginning of the war between Japan and Russia. Although very early in the war military activity shifted to Manchuria, carrying in its wake the special correspondents, the Japanese continued to maintain a strict censorship upon communications leaving or entering Korea. Even now that the war is ended, such information as reaches the world comes almost entirely from Tokyo, and much of it is very mis-

leading. For instance: I was in Tokyo when a member of the Korean royal family, Prince Yi-chai-Kak, attended by a large suite, came to Japan ostensibly to congratulate the Mikado upon the Japanese victory at Moukden and express the Korean Emperor's satisfaction at the existing relations between the two countries. Accounts of this pleasant demonstration were sent over the world by the Japanese press propaganda, conveying the impression that all was well and everybody happy in Korea. The exquisite irony involved in this "visit" can only be appreciated through a correct understanding of the real situation in Korea, then and now.

In order to get clearly at the relation between Japan's actions in Korea since the war began and the issues of the coming settlement, it seems necessary to begin at the beginning. In opening the negotiations which preceded the war, the Japanese note to the Russian Government, in presenting the issues to be adjusted by them, used in respect to Korea the following language (the italics are mine):

"Korea is an important outpost in Japan's line of defence, and Japan consequently considers her *independence* [that of Korea] absolutely essential to her own repose and safety."

Frequent references, couched in similar terms, were made to Japan's desire to maintain the independence of Korea in the course of the diplomatic negotiations with Russia, and even the Japanese declaration of war contained an explicit statement to that effect. Notwithstanding all this, Japan, a few weeks after the war had begun, concluded a

protocol with the Korean Government, a full copy of which is here presented (the italics are mine) :

"Gonsuke Hayashi, Envoy Extraordinary and Minister Plenipotentiary of His Majesty, the Emperor of Japan, the Major General Yi-chi-yong, Minister of State for Foreign Affairs ad interim of His Majesty, the Emperor of Korea, being, respectively, duly empowered for the purpose, have agreed upon the following articles:—

Article 1.—For the purpose of maintaining a permanent and unalterable friendship between Japan and Korea, and of firmly establishing peace in the East, the Imperial Government of Korea shall place full confidence in the Imperial Government of Japan, and adopt the advice of the latter regarding improvements in administration.

Article 2.—The Imperial Government of Japan shall, in a spirit of firm friendship, insure the safety and repose of the Imperial House of Korea.

Article 3.—*The Imperial Government of Japan firmly guarantees the independence and territorial integrity of the Korean Empire.*

Article 4.—In case the welfare of the Imperial House of Korea, or the territorial integrity of Korea is endangered by the aggression of a third power, or internal disturbances, the Imperial Government of Japan shall immediately take such necessary measures as circumstances require, and in such case the Imperial Government of Korea shall give full facilities to promote the action of the Imperial Japanese Government.

The Imperial Government of Japan may, for the attainment of the above-mentioned object, occupy, when circumstances require it, such places as may be necessary from the strategic point of view.

Article 5.—The Government of the two countries shall not, in the future, without mutual consent, conclude with a third power such an arrangement as may be contrary to the principles of the present protocol.

Article 6.—Details in connection with the present protocol shall be arranged as the circumstances may require between the representatives of Japan and the Minister of State for Foreign Affairs of Korea."

This is certainly a remarkable document, and only the general excitement throughout the world occasioned by the opening of hostilities can account for the fact that it caused so little comment

at the time; though it must have been noted by the various chancelleries, which probably considered the time inauspicious for objecting to or discussing it. What particularly distinguishes it is the apparent conflict between the two vital clauses. Article 1 provides that the Korean Government *shall* adopt the advice of the Japanese Government regarding administrative improvements, which amounts to an abdication of discretion in such matters by the Korean Government. Article 3 guarantees the independence of Korea. It is somewhat difficult to see how a country can remain independent and at the same time be compelled to adopt the advice of another government about its own internal administrative affairs. The articles relating to the right of Japan to intervene in certain matters clearly leave Korea entirely without discretion to approve or reject. A significant point in the phrasing of Article 5 should not be overlooked. It provides that the *government* of the two countries shall not do so and so. In all translations of this protocol I have seen, the singular is used, which implies that it was intentional with the framers of the document. Does the use of the singular mean that there is to be but one government for the two countries? Perhaps we may find in events since the signing of this protocol an answer to this.

It is a rule of common law in all civilized countries that the conditions under which a contract or agreement is entered upon may be taken into consideration in determining its value and meaning. So to get an insight into the *bona fides* of this

protocol it is necessary to review the circumstances under which it was promulgated. It bears the date of February 23, 1904, two weeks after the opening of hostilities. Even before diplomatic relations with Russia were severed, and as preliminary to so doing, Japan had despatched troops to occupy Korea, which country had an obvious strategic importance in the struggle. Immediately on the beginning of the war Korea was flooded with Japanese troops, so that in a few weeks practically the entire country was occupied. For some time before hostilities began Japan had placed restrictions upon telegraph communication between Korea and the outside world, and upon the first landing of troops the Japanese, without as much as saying "by your leave" to the Korean Government, seized the internal telegraph and telephone communications of the country. This was followed by military occupation of the capital, Seoul, and the polite hustling out of the country of the Russian Minister.

Months before the war, the Korean Emperor, distracted by the counter-pressure brought to bear upon him by the Russian and Japanese governments, and fearing even for his own life, had left his palace and gone to reside in a small house adjoining the United States Legation, where he felt some degree of safety. From this nook he issued a proclamation stating that it was the intention of Korea to remain absolutely neutral during the impending crisis or the hostilities which might follow it. The Korean Government, at best feeble and dilatory, was powerless to pre-

vent or even resist the sudden military occupation of the country by the Japanese, the Emperor confining his action to complaints made to some of the foreign legations. This was the situation when the Korean Government was confronted with the Japanese demand that it sign a protocol defining the relations of the two countries. There was no help in sight, and so the foregoing protocol was signed. It is idle to assume that the wishes and desires of the Korean Government are in any substantial way represented in its terms. Korea was compelled to agree to whatever Japan wanted, and submitted with the best grace possible, in order to "save its face" with its own subjects and the foreign powers. As for Japan, she was not yet ready to fully expose her policy, but she went as far as she dared for the moment. And it will, I think, be admitted that it was a very fair start.

Thus did Japan, by a dramatic *coup d'état*, seize the reins of power in Korea. Russia announced to the world that she would not recognize as binding, so far as they affected her interests, and as they were procured by coercion, any agreements made between Japan and Korea during the continuance of the war. The other neutral powers simply took note of what was going on and preserved a discreet silence. In vain did the Emperor pour his complaints and fears into the ears of the foreign ministers, who only shook their heads and told him they were powerless to help him. He even wanted to come to the American Legation to live, but Minister Allen was compelled to intimate politely that the distinguished guest

could not be received. In this he was entirely right, since there seemed no real necessity for such asylum, and the United States might have become unpleasantly embroiled. Just whether there were any real grounds for the Emperor's fear of assassination is hard to say, but it is well known that since the murder of the Empress by Japanese assassins during the former period of Japanese ascendancy in Korea, the Emperor has been very much afraid of his present friends and protectors.

As the war progressed, with continual success to their arms, the Japanese in Korea gradually felt emboldened to use the power given them under the terms of the protocol. By a slow but sure process they assumed control of the chief governmental functions and began the systematic extension of their authority to all its branches. In order to allay as far as possible the fears of the Emperor, Marquis Ito, the venerable Japanese statesman, was brought over in 1904 to visit and reassure him. It was hinted at the time that had he been encouraged by the Emperor to do so, Ito would then have remained in Korea in an "advisory" capacity. However, after a short stay, he returned to Japan.

Liberal as the terms of the first protocol appear to be, in giving Japan a free hand in Korean affairs, as time passed and they found themselves more firmly seated in the saddle, the Japanese demanded a further extension of their authority. By this time they had internal affairs pretty well in hand, but they now seem to have felt that the time was ripe to take control over the nation's

foreign affairs as well. This was clearly treading upon somewhat delicate ground, as it might encounter opposition from some or one of the neutral powers. However, they decided to risk this, and so pressure was again brought to bear upon the Korean Government, with the result that on August 22, 1904, the following protocol was promulgated (the italics are mine):

"I. The Korean Government *shall* employ a Japanese recommended by the Japanese Government, as an adviser to the Finance Department, in order that anything concerning financial matters may be *decided by his advice*.

II. The Korean Government *shall* employ a foreigner recommended by the Japanese Government, as an adviser to the Foreign Office, in order that any important matters relating to foreign affairs may be *decided by his advice*.

III. The Korean Government, in regard to the making of any treaty, conducting any diplomatic intercourse, or concerning any franchise or contract to a foreigner *must* consult the Japanese Government in advance."

Any constitutional lawyer or person familiar with such matters will, I think, agree that this second protocol, in conjunction with the one signed in February, 1904, constituted a complete abdication by the Korean Government of every vestige of its authority in favor of the Japanese Government and left Korea without any genuine autonomy. The circumstances surrounding its negotiation were the same as attended the signing of the first protocol, except that the Japanese authorities acted with more assurance, and the Korean Government's ability to resist was materially weakened. As bearing upon the feeling of the Korean Government toward this protocol, I may say that while it was being discussed by the rep-

representatives of the two governments, the Emperor informed some of the foreign ministers of what was going on and vainly urged them to protest. Failing to secure support from any quarter, the Emperor again bowed to the inevitable. A third protocol, signed in February, 1905, turned over to the Japanese full control of all avenues of communication, both postal and telegraph (the Japanese had long before seized them).

Under the terms of these instruments (it did not wait upon written authority except when it suited), the Japanese Government proceeded to administer the domestic and foreign affairs of Korea. In so doing it instituted many changes. The Japanese control the policing of the country, still employing, however, some of the machinery of the Korean Government; a new financial system is being inaugurated; the diplomatic representatives of Korea in foreign countries are being recalled and Korea's diplomatic interests turned over to the Japanese legations in those places; the Korean army is being reduced and reorganized under Japanese direction; and reforms in a number of other branches of the government are being undertaken.

Briefly put, this is what Japan has done in Korea since the beginning of hostilities. There remain to be considered the methods employed to secure this astonishing result, the actual and probable results to Korea and foreign interests in the country, and the relation of these matters to the settlement of the issues of the Far Eastern question.

As to the immediate material effect of the Japanese occupation, it brought on a period of unusual prosperity. Since the war began the Japanese Government has pushed construction on the Seoul-Fusan railway so rapidly that the line is now operating along its entire length. Work was also pushed with equal rapidity on the railway between Seoul and the Yalu. This road was first constructed for purely military uses, but was later rebuilt to ordinary standards, and is now in operation along its whole route. A great deal has been done to improve the railway between Seoul and Chemul-po. Many public and semi-public works have been undertaken, especially new telegraph and telephone lines. These works, and the cost of keeping early in the war large numbers of troops in the country, gave employment to many thousands of coolies and carters and provided a ready market for all kinds of native produce. Great sums have been spent, the bulk of which went to Korean laborers. As Korea is a country where the people are very poor and money is scarce, the effect has been to give a perceptible stimulus to business and was felt by nearly all lines of commerce and industry. This is pointed out by the Japanese as evidence of the progress of the country under their control, and indicative of a future with them at the helm of state. But there is no assurance that these extraordinary conditions will continue; in fact, the end is already in sight. And so far as the material gains to the country from Japanese occupation being cited as a justification for it, by

the same argument the Russian occupation of Manchuria would have been much more justified, for the Russians spent dollars in Manchuria where the Japanese have spent cents in Korea, and with precisely the same object—their own eventual betterment.

The most far-reaching action so far taken by the Japanese is the attempt to reform the finances and currency of the country. In accordance with the second protocol, the Japanese Government appointed Mr. Megata, a Japanese educated in America, to be financial adviser to the Korean Government. Mr. Megata at once came to Korea and took charge of the national finances. After studying the situation for several months, he decided upon a plan for reform, which was formulated into an agreement and ratified by the Korean Government under the usual pressure. The currency of the country has long been in a wretched state, the principal circulating medium being a small nickel coin, which, owing to the large numbers of counterfeits of varying excellence (many of which were made in Japan and introduced by the Japanese), had depreciated to less than half its face value. Mr. Megata's plan was designed to put the country on a gold standard, after the manner adopted by Japan when she made the change. Under the agreement, the Dai-Icho Ginko (The First Bank), the leading Japanese bank doing business in Korea, becomes the fiscal agent of the Korean Government, empowered to collect all the internal revenues, which shall be deposited with the bank, as shall also the customs receipts.

The Dai-Icho Ginko is to pay no interest on such deposits, but is to bear the expenses of collection. The bank is to establish branches for this purpose throughout the country. A new coinage has been issued to replace the old nickels, which are to be redeemed in the new coinage at the rate of two old nickels for one new one, or a little better than the present rate of exchange. This coinage is covered by a loan, made by the Dai-Icho Ginko, of 3,000,000 yen, redeemable in six and ten years, and drawing six per cent. interest. The loan is secured by a lien on the customs revenue. The agreement also provides for the circulation of Japanese currency in the country (this particularly refers to the so-called "war notes" issued by the Japanese Government for payment of expenses in Korea and Manchuria), and gives the Dai-Icho Ginko the privilege of issuing its own notes and using certain government property as collateral security. Heretofore the coinage of money has been a royal prerogative in Korea, which accounts in a measure for the miserable condition of the currency; but from now on the Korean Government can issue no more coins, the Japanese taking control of the mint.

This is the substance of the scheme for financial reform proposed by the Japanese Government, and judged purely on its merits there seems little reason to object to it, although it might have been accomplished by other methods. The arrangement promises to be a profitable one for the Dai-Icho Ginko, but the plan will be economical compared to past methods, and may in time have a

beneficial effect. It will be noticed that the agreement (it has not been made public, but I was able to see a copy) provides for the collection of taxes by the bank. This in itself involves a most important reform. It has been the custom, under the Korean regime, to farm out the collection of the taxes to the local magistrates, with the same evil results that have always accompanied the system everywhere. This agreement marks the first encroachment of the Japanese upon the purely local functions of the Korean Government.

However, promising as this plan seems to be in helping to straighten out the tangled financial system of the kingdom, it was not considered an entirely wise measure by some men (foreigners) of recognized ability and long experience in Korean fiscal affairs, who pointed out imperfections in its proposed *modus operandi*. When the plan was put into effect these forebodings were amply realized. The circumstances under which the old nickels were redeemable created difficulties that led to great confusion and worked injustice upon thousands of the poorer classes and merchants, while at the same time bringing, through manipulation, considerable profit to certain classes of Japanese. Riots occurred in places, which the Japanese military suppressed with scant ceremony. The merchants appealed to the Emperor for relief, and, although he was not responsible for the condition complained of, he made a loan out of his private purse to relieve the panic. It is perhaps too soon to condemn this attempt of the Japanese to reform the financial system of the country (it certainly

needs reforming), but their first attempt has not so far proved very satisfactory to the Koreans.

It cannot be denied, and should be mentioned in this connection, that the Korean Government is rotten to the core, and interference in its affairs by almost any foreign power can scarcely fail to bring about an improvement of conditions that will eventually benefit not only the Koreans themselves, but all persons having interests in the country. This statement assumes, of course, that such interference will not disturb, by discrimination, the interests and rights of other nationalities. But this, again, was also true regarding the occupation by Russia of Manchuria, a fact that should not be lost sight of in judging the actions of Japan in Korea; and it might, perhaps, be true of foreign occupation of China. In the discussion of the future of Korea in the West a great deal of loose reasoning has been indulged in over this matter, in the effort to make events harmonize with the ebullition of popular sympathy with Japan.

CHAPTER VII

JAPAN IN KOREA

CONTINUED

Effects of the Japanese Occupation upon Foreign Interests in Korea — Predominance of American Interests — Prosperity During the War — Japanese Removal of Foreign Advisers — Political Pressure upon Commercial and Industrial Affairs — The Su-An Syndicate — Feeling of Foreigners in the Country — Diplomatic Position of Foreign Powers — Dr. Allen's Removal — Political Future of Korea — The Suzerainty Agreement — Japanese Military Coercion — Suicide of Korean Ministers — Korean Emperor's Vain Appeal to America — Political Significance of Korea.

THE probability that Japan will continue indefinitely to have a free hand in Korea suggests at once a consideration of the actual and prospective effects of the Japanese occupation and administration of affairs upon other foreign interests in the country.

So far, the results are of conflicting tendency. It happens that in Korea American activity in industrial and commercial lines has taken the lead of late years, chiefly owing to the energy and enterprise of a single firm, and the good offices of Dr. Allen, for many years the American Minister, in helping his nationals. And it should be remarked that American enterprises in Korea, as

they almost invariably are in all foreign countries, are based upon legitimate ventures and are rarely political schemes in disguise. Much of their success, once they get under way, is due to this. Such is the character of American interests in Korea. Americans operate the only really successful mines in the country; Americans built the first railway in Korea, which was afterward sold to the Japanese; Americans started the first street railway lines, electric lighting and telephone systems. No ulterior political designs lurked behind any of these propositions, and Dr. Allen did right to exert himself in their behalf. Having their inception in legitimate enterprise, and conducted on business principles, they have prospered in a manner that has not failed to arouse the envy of other foreign interests.

Up to now, American interests in Korea have profited by Japanese occupation; or, rather, they have profited by the conditions that followed the Japanese occupation. This is to say that a majority of American interests are of a character to benefit by any improvement of business conditions, and so they have felt the influence of general prosperity. The same may be said of other purely commercial foreign interests of all nationalities. Great care has been taken, so far, by the Japanese authorities not to tread upon the toes of Americans and British. The reasons for this policy are obvious. With other foreigners they are not so particular, especially the Germans and French.

Except America, most of the Western powers have for many years pursued a plan calculated to

extend and safeguard their political influence and other interests in Korea. One of the results of this plan was the practically enforced employment by the Korean Government of a large number of so-called foreign advisers, supposed to assist in reforming and reorganizing its governmental and industrial affairs. Although the Korean Government would under pressure readily agree to employ these advisers, it never pretended to take their advice after they came to Korea; so that while most of these men were quite capable in their various occupations, they soon found themselves reduced to ornamental appendages of the government, with purely nominal occupation. A few resigned in disgust, but a majority accepted the situation and drew their salaries in leisure.

Under pretence of introducing economy into administrative affairs, the Japanese are rapidly dispensing with the services of these foreigners. This seems a meritorious action on its face; but it appears that they are being replaced by Japanese; indeed, for every foreigner removed several Japanese are usually appointed—at lower salaries, it is true, but amounting to a considerably larger aggregate. No one could have objected had Japan put the foreigners to work and compelled or given them an opportunity to earn their wages. They are, in the main, perfectly competent to perform their duties, and could easily be made very useful. But the Japanese are getting rid of them. Of course, in dismissing these men the fiction of Korean autonomy is preserved; but the Emperor often sends privately for them and expresses his

personal regret at their removal. So far, few British or American (there are very few of the latter) employés have been discharged by the Japanese, but some of them are beginning to feel very uneasy. The removal of Mr. MacLeavy Brown, who so long and ably administered the Korean customs, is an indication of this policy; and that this blow to British susceptibility was taken without a murmur shows the extent to which England is giving her ally free rein in the North.

Not only has care been taken to refrain from action calculated directly to injure American interests, but in some instances measures have been inaugurated which promise a large profit to some of them. The street railways of Seoul were built and are operated by an American firm under a franchise permitting certain tariffs, expressed in Korean currency. The customary fare for certain distances is a Korean nickel, or at the present rate of exchange about a cent and a quarter in gold. The new nickel currency is worth more than twice as much, which, since the same fare may be charged, will more than double the earnings of the street railways. Thus at least one foreign interest stands to materially benefit by the currency reform, and if the street railway company is left undisturbed in its privileges it will make a great deal of money, as it is already operating at a nice profit. The Japanese have made several attempts to purchase these lines, in pursuance of their policy to get hold of everything worth having in the country, but a difference of opinion about the price has so far prevented a deal.

But the Japanese are rapidly obtaining a position in the country where they may apply pressure to other foreign interests if they choose, and it is not impossible that before long the principal American interests will find it to their advantage to sell out to the Japanese, or face the alternative of having their business seriously handicapped. It should be noticed that the third clause of the protocol of August, 1904, makes it necessary for all contracts or agreements between foreigners and the Korean Government to be referred to Tokyo. This means, flatly, that now and in the future no foreigner can start a business enterprise in Korea without the consent of the Japanese Government. It does not appear on its face to have any *ex post facto* bearing, but in matters like this one never can tell. And its object is perfectly obvious. Stripped of hypocritical interpretation, its effect undoubtedly is that in the coming industrial and commercial development of Korea Japanese interests are to have the first consideration.

In fact, the pressure is already being applied. Foreign enterprises operating under concessions granted by the Korean Government prior to the Japanese occupation are now compelled to have all their dealings with the Korean Government referred to the Japanese authorities for final action, even in regard to the most trivial matters. Not only this, but a number of concessions granted to foreigners before the war have been revoked by the Japanese. This is true of all Russian, and of one French concession. The franchise for the

construction and operation of the railway from Seoul to the Yalu was originally granted to the French, but the Japanese have gone ahead and built the road regardless of the previous rights involved. It is true that they claim that the French concession had been forfeited, but the French dispute this, and it remains a matter to be adjusted in the future.

As an example of how the new plan affects foreigners other than Japanese who desire to do business in the country, witness the recent organization of the Su-An Syndicate, Ltd., to open and operate some mining concessions in northern Korea. That the mining prospects included in the franchise just conceded to the new company have a large prospective value has been known for years, and an attempt was made some time ago to organize a British company to develop them. This effort failing for the time, owing to difficulty in securing financial support, it was recently revived as a project which associated with the English promoters a leading American firm in Korea. Strong as this combination was, and ample to carry the project to success under ordinary circumstances, it was thought prudent to include a Japanese interest in order that no political obstacles to securing the franchise might be encountered. Thus originated the famous American-British-Japanese concession of which so much political capital has been made in the Far Eastern press. Scores of editorials have appeared in the native and foreign Japanese papers, pointing to the organization of this company as another of

the many indications that England and America are supporting Japan in her policy.

It is not easy to discover just how foreigners who have business interests in Korea really feel about the future under Japanese occupation (I have not met a single man who entertains the slightest notion that the Japanese intend ever to let go). Prudence counsels a still tongue, until there are clearer indications of how the international wind is going to blow. But in the course of a long talk with a leading foreigner who resides in Seoul I was able to gather much of his real state of mind.

"I have not, so far," he said (the conversation occurred in 1905), "felt much inconvenience owing to the occupation of the country by the Japanese. Our business is moving along very nicely; in fact, it has improved. How long this will continue I am unable to say; but I look for generally better times in Korea. The old government certainly needs renovating, and the Japanese are starting energetically. It is true that we are sometimes put to trifling annoyance and some delay by the present necessity of having matters we have been accustomed to arrange with Korean officials referred to the Japanese, making a double transaction where formerly only one was required; but no disposition to refuse our just requests has been shown. I have nothing to complain of in that quarter."

"Do you regard your interests as secure under Japanese control?" I asked.

"Oh, yes."

“Do you place your reliance upon the Japanese Government?”

“Certainly not,” he replied. “I rely upon my own government [the United States] to protect me in my rights.”

“Should a result of the war be a permanent absorption of Korea by Japan,” I said, “and the eventual withdrawal of the representatives of all foreign governments, leaving the Japanese in unequivocal control, how do you think your interests would be affected?”

He answered with a serious face, but without hesitation:

“I cannot bring myself to think that our governments will abandon us in that manner. But should they do so, notwithstanding that I have spent the best years of my life building up my interests here, I would sell my property for what it would bring and leave the country.”

This, I am firmly convinced, substantially represents the views of an immense majority of foreigners in Korea, regardless of nationality; and I may say that it also reflects my own opinion. Such opinion has its root in fundamental traits of Japanese character relating to business affairs, and the attitude of the Japanese Government toward foreigners doing business in Japan; but this subject may be reserved for discussion in another connection.

A matter that is certain to come up, in fact it is already being discussed by the Japanese propaganda, is whether the various foreign governments, in view of the fact that Korea is withdraw-

ing her diplomatic representatives from abroad, and in view of the further fact that it is not possible since the promulgation of the protocol of August, 1904, to have any real diplomatic intercourse with the Korean Government, will continue to retain their representatives at Seoul. Nothing could display greater cleverness than the manner used by Japan through the propaganda to steadily shift her ground in regard to the main propositions involved in the settlement, while at the same time remaining carefully posed in an attitude of self-sacrifice. Something of a shock will be felt in the Western world when the mask, having served its purpose, is dropped. Meanwhile, pretence is piled upon pretence, without being able, however, to conceal the undercurrent of reality.

The sudden removal in the Spring of 1905 of Dr. Allen, the American Minister at Seoul, has been a valuable morsel under the manipulation of the propaganda. An impression has been industriously disseminated in Korea and throughout the East that Dr. Allen was withdrawn because he had in some way offended the Japanese. I here reproduce a sample of the matter relating to Dr. Allen's removal printed in the Eastern press. It is clipped from a pro-Japanese newspaper, and is a fair example of the way the propaganda handled the incident:

A PRO-RUSSIAN MINISTER WITHDRAWN

A Washington correspondent says that the removal of Mr. Allen, the American Minister to Korea, constitutes another recognition of Japan's suzerain power. Mr. Allen has been fifteen years

in Korea in a diplomatic capacity, advancing from Secretary to Minister, and has exercised great influence over the Emperor. He was formerly a medical missionary. He was later made medical officer to the Korean Court, and, as secretary and interpreter was attached to the first Korean Legation sent to the United States. Two years later he returned to Korea as American Secretary of Legation. He has always been pronouncedly pro-Russian. Two years ago, when in Washington on leave, he attempted to convince the President and Mr. Hay that their Far Eastern policy was wrong, and that instead of antagonising Russia they should support Russia in her Manchurian venture. He was somewhat pointedly told that he was travelling outside of his province in entertaining views foreign to those of his Government. When Mr. Stevens was appointed foreign adviser to the Emperor of Korea it was feared, both in Tokyo and in Washington, that he would meet with the antagonism of Mr. Allen. It is understood that Japan, finding Mr. Allen's presence in Seoul detrimental to her interests, delicately intimated to Washington that his recall would be gratifying. The President without delay acted on the suggestion. Great pressure was brought to bear by Mr. Allen to induce the President to revoke his order of recall, but it appears to have made no impression on the President.

Note the care taken to convey the impression that this item emanates from Washington, implying to it in Eastern minds an American official sanction. The Mr. Stevens referred to is an American employed by the Japanese Government, then acting as adviser to the Korean Foreign Office. One can imagine the feelings of Dr. Allen, after fifteen years' uninterrupted and peculiarly distinguished service at the same post through all the shiftings of political authority in America (during which he, in a perfectly legitimate manner and without improper discrimination against other foreign interests, did more to promote the enterprises of his nationals than I have ever seen accomplished elsewhere under analogous condi-

tions, and whose work was properly recognized by deserved promotion), at being compelled to step down under the implication of having been kicked out by the Japanese. The position acquired by Dr. Allen in Seoul is almost unique in the annals of American diplomacy. He retired as dean of the diplomatic corps, with the esteem and confidence of all grades of Koreans from the Emperor down, and with the regard to a most remarkably unanimous degree of the foreign residents of all nationalities. Dr. Allen did not know, when I last talked with him in Seoul, the reason for his removal, but he attributed it to his long tenure of office, in so far as he had any theory at all. To my question if he had had any friction with the Japanese since the occupation, he emphatically stated that his relations with them had always been most cordial, and he could not believe that the Japanese Government desired his removal, much less that the American Government would remove him for such a reason. It is hardly necessary to say that Dr. Allen had never been outwardly pro-Russian or anything except pro-American. The incident of his sudden removal caused astonishment and indignation, and no little uneasiness among Americans in the Orient, who fully appreciate the importance attached to such moves in that part of the world. And it might be well for the government at Washington to carefully consider how far it desires this covert suggestion that it is ready to lend its assistance to Japan's designs in Korea to be carried. Or, taking the view of the incident conveyed in the

article quoted, are we to believe that even long before the war ended, before its issue was determined, and when praise of Japan's supposed disinterestedness was filling the columns of the American press, the United States Government had committed itself to the annexation of Korea by Japan? The recent announcement of the intention of the American Government to withdraw its minister from Seoul, indicating its intention to in future address its diplomatic communications concerning Korea to Tokyo, gives a color of probability to this theory.

In regard to the political future of Korea, the Western world may as well face the facts soon as late. There is not the slightest indication of any intention on the part of Japan to abide by her frequently expressed intention to maintain the independence of the kingdom. As long as it suits her convenience, and serves her purpose in concealing her wider designs from Western peoples, Japan will make a pretence of preserving the existing status, not in the least disconcerted by remembrance that she went to war in 1894 because China asserted a nominal suzerainty over Korea. The Emperor may be retained as nominal head of the government for years, but he always will be (as he has been since February 8, 1904, when the Japanese troops occupied Seoul) virtually a prisoner in his palace; a political puppet whose potential mechanism is operated by the Japanese. To-day the independence of Korea is nothing but a shallow and perfectly transparent fiction, which did not need the recently signed protectorate

agreement, by which a Japanese governor-general is to administer affairs under the Emperor, to be seen in a true light.

The negotiation of this "agreement" by Marquis Ito caused a flutter in Seoul, cowed as by this time the Koreans were. When Ito arrived in Seoul he wished to meet the Emperor at once, but the latter secluded himself and it required six days to bring the meeting about, in order to permit Ito to present his credentials as envoy extraordinary. Then Hayashi, the Japanese Minister and real ruler of the country, called a council of the Korean cabinet to draft the agreement. The members of the cabinet, or a majority of them, responded to the call and reluctantly presented themselves at the Japanese legation, where the conference was held. For hours the debate was kept up; several members of the cabinet refused to sign and, leaving the legation in anger, joined the Emperor in his sleeping apartments, where had been assembled the remnant of the Imperial Guard. Crowds gathered in the streets and near the palace grounds, and began to make threatening demonstrations against the Japanese.

The Japanese authorities then resorted to stronger measures. Thousands of Japanese troops were brought into the city from the adjacent barracks and arranged about the palace, excluding the Koreans, and making the Emperor and the recalcitrant ministers actual prisoners. One by one the ministers were sought out and their signatures secured. At least it was announced that they signed the agreement. The

exact circumstances under which all of them did so may never be known, for several either committed suicide or were assassinated soon afterward, including ex-premier Chao and Min-yung-whan, a prominent Korean patriot, as the Koreans understand patriotism. After these events the Emperor, it is stated, also signed, and the "agreement" turning over the absolute control of the ancient kingdom to Japan was promulgated, on November 17, 1904.*

Some time before this significant event the Emperor, probably foreseeing it, had despatched an American friend, H. B. Hulbert, who has long resided in Korea, with an appeal to the President of the United States to aid in preserving the independence of his kingdom; but before Mr. Hulbert reached Washington the agreement had been signed. Of course, this appeal could have had no result under the circumstances, but some Americans may like to regard it as a recognition on the part of a weak nation of the existence of a sympathy in the United States for all those threatened with oppression. The incident is not without pathos. On January 29, 1906, the Emperor issued a statement to the world asserting that his signature to the suzerainty agreement was forged; and inviting the powers to establish a joint protectorate to preserve the independence of his kingdom. It is suggestive of the real situation in Korea that this interesting news only became public through the instrumentality of a correspondent for a London newspaper, who personally

* Appendix C.

carried it to Chi-fu, China, whence he was able to telegraph the gist of its contents.

The details included in the foregoing account of the negotiation of the protectorate agreement were chiefly furnished to me by a foreign resident of Seoul who was in the city at the time, and they are substantially supported by all unprejudiced press accounts that I have seen.

Before quitting the question of the political future of Korea, it may be well to recall the fact that its possession by Japan, like the possession of Port Arthur, has an importance out of proportion to the commercial possibilities of the country. Were the commercial and industrial interests of Western nations in the country the only issue at stake, its fate would hardly be worth considering. But the real importance of Korea lies in the geographical position of the kingdom. As an independent kingdom it was a buffer between Japan and a policy of continental aggression; in the hands of Japan it becomes a stepping stone.

CHAPTER VIII

JAPAN IN KOREA

CONCLUDED

Effects of the Japanese Occupation upon the Koreans — Korean Hatred of the Japanese — Reasons for this Hatred — National Sentiments Involved — Japanese Abuse of Koreans — Character of Japanese Immigrants — A Personal Experience — Koreans Treated as a Conquered People — The “Nagamori Land Scheme” — The “Kong-chin-hoi” Society — The “Il-chin-hoi” — Pathetic Situation of the Emperor — Japan’s Intentions in Korea — Agricultural and Commercial Possibilities of the Country.

If I have given priority to consideration of the effects of Japanese occupation upon the interests of foreign powers and foreigners doing business in Korea, it is not because I feel that its effects upon the Koreans are unimportant. My reason for deferring examination into this matter is because, with other confusing issues out of the way, it will be easier to appreciate this one. I may repeat that in its broader aspects Japanese control is likely to accomplish better results to the average Korean than a continuance of the country under its former government. But it is clear that reform might be accomplished by other means than a conversion of the country into a dependency of Japan. At any rate, it is interesting to note how the Koreans, of high and low degree, feel about what

the Japanese are doing and the prospect before them.

There is only one possible answer to the question here implied. Born of long association and knowledge, and grounded firmly in the memory of past experience, there exists in the heart of the average Korean a deep and bitter hatred of Japan and everything Japanese.

There does not exist in Korea, nor in any other Oriental land, any common intelligence about public affairs capable of conceiving, much less understanding the general benefit which may follow a sweeping reform of the national administration. To begin with the official classes, they see plainly in Japanese control the final relinquishment of their inherited privilege to rule or misrule the country as they please. They already find their prerogatives curtailed, and the shadow of forthcoming events falls heavily upon them. They are astute enough to recognize that the present nominal autonomy of the kingdom is nothing more than a polite fiction, and in this they seem to be keener witted than many persons in the West. However disconsolate he may be at heart, the Oriental will "save his face" by assuming a nonchalant demeanor in public, and to go about in Seoul one might think that all is going as the people wish. Outwardly, most matters go on as usual. Beyond seeing an unusual number of Japanese soldiers and civilians about, things seem much the same as formerly. But underneath it all a majority of Koreans are haunted by a fear, now almost a certainty, that their national existence is doomed;

that never again will their Emperor really rule. They would not be human beings, imbued with the common attributes of such, did they not resent this prospect, in the shaping of which their wishes have in no way been consulted. So to say that the Koreans object to the Japanese occupation conveys but a very mild impression of how they really feel.

And it requires no great perspicuity to discover the more palpable reasons for this sentiment. They are on the surface, so that he who runs may read. For several years there has been a large Japanese immigration into Korea. This immigration has been stimulated by the Japanese Government for political reasons, through subsidized emigration bureaus in Japan, and has resulted in large Japanese settlements at the principal treaty ports and other towns. Since the war began this immigration has swollen enormously, until in Seoul the original Japanese quarter of the city will no longer hold the newcomers, and they are spreading out in all directions. These immigrants are not, as a rule, of a very good class; and their injection into Korean towns and cities under conditions likely to accentuate the natural intolerance of the Japanese in his attitude toward the natives of the country has produced some unpleasant results. Within an hour after I landed at Chemulpo I witnessed three unprovoked assaults by Japanese upon Koreans, in which the Koreans were severely beaten. In these continual brawls the Koreans are afraid to offer any strenuous resistance, for that is likely to bring the Japanese sol-

diers or police down upon them. Two of the petty assaults I observed were also witnessed by Japanese military policemen, who simply laughed at the incidents.

At Fusan I also witnessed, recently, during an hour's stroll on shore, one aggravated case of assault by Japanese upon a Korean coolie; and also another incident which has a more important bearing to Westerners, as illustrating the real sentiment of the average ignorant Japanese toward foreigners. I was with two young Americans, on their way to be employed at the American mining concession in north Korea, and both seeing the Orient for the first time. We were strolling about the town and had reached the outskirts, where a number of Japanese coolies were digging a ditch. Without anything whatever being done to offend them one of them stopped his work and approached one of the young men, who, having no idea of what the man meant to do, stood quietly where he was until the Japanese deliberately jostled him with his shoulder. The other Japanese coolies laughed, which was echoed by a number of Koreans who were observing us from curiosity. The American's face flushed and his hand clenched, but he was in unfamiliar atmosphere, so he turned to me.

"What ought I to do?" he said.

"Pay no attention to it," was my advice.

We were some distance from the town proper, and entirely out of reach of any succor, and I knew that any offensive demonstration on our part would result in us being stoned and otherwise

maltreated. We had nothing to defend ourselves with, so we walked quietly back toward the centre of the town, followed for some distance by a number of the Japanese coolies, who shouted derisive epithets after us. Of course, if we had been able to identify the men, a complaint to the Japanese authorities in the town would probably have resulted in their punishment.

But the Koreans are differently situated. They do not dare complain unless the person abused be a man of importance, for nothing will be done except in the most flagrant cases, and retribution is almost certain to be later visited upon the complainant. When the lower class of Japanese will act toward foreigners as I have shown, their disposition toward the despised Koreans may be appreciated. Already the Japanese in Korea treat the natives as inhabitants of a conquered country. Little actual physical abuse of them is seen in Seoul, for there it may be observed and reported by foreigners, and the Japanese authorities compelled to punish the perpetrators. I have no inclination to misrepresent the disposition of the higher Japanese officials in this matter. In cases of wilful maltreatment of Koreans by Japanese that come to their knowledge they visit prompt and severe punishment. But the thousands of petty instances, none the less galling to the Koreans because the physical injury may be slight, are never reported. However, such incidents have become so numerous that the Japanese authorities have taken means to check them by sending back to Japan many of the objectionable immigrants,

and are warning the Japanese emigration companies to be more careful about the character of the persons they send over; which constitutes a direct recognition that the evil exists. In the remoter parts of the country, away from the surveillance of the central authority, there is hardly any check upon the impulses of the newly arrived Japanese in his treatment of the Koreans, and the Korean who may be thus abused has little chance for redress.

An incident that has caused great bitterness among the Korean residents of Seoul is the recent Japanese demand that a large part of the city inside the wall be conceded for an extension of the Japanese settlement, the Koreans now occupying the space (it is densely populated) to be reimbursed for their property. The sum suggested for this reimbursement does not equal the present value of the property. And for centuries residents within the walls have been exempt from taxation, a most coveted privilege. So it will easily be understood that the Koreans do not take kindly to the suggestion that they move out to make way for the Japanese. The demand has not yet been pressed, on account of the violent opposition it encountered, but there is reason to think that it has only been suspended awaiting a more favorable time to urge it. Thus in a thousand petty ways, reproducing, essentially, all the galling circumstances which, under similar conditions, invariably attend efforts to bend weak peoples to the yoke of self-appointed overlords, do the Koreans feel the Japanese occupation.

Another proposal fathered by the Japanese authorities is known as the "Nagamori Land Scheme." This ambitious project was originated by a Japanese named Nagamori, a speculator and promoter, who came to Korea shortly before the war and urged his proposition upon the Korean Government. He met with a cool reception, and for the time his scheme languished. But after the country had been occupied by the Japanese, he induced them to regard the project favorably, with a result that the Japanese authorities took it up and urged it as their own measure. Omitting its minor details, it was a plan to redeem the waste lands of Korea by improving and bringing them under cultivation by means of long leases upon the lands given to the Nagamori company. The scheme included all unoccupied crown lands, besides all privately owned land not already under cultivation, and involved about two-thirds of the total area of the country. Superficially, the scheme had a certain plausibility, but upon being closely scrutinized it stood revealed as turning over to Japanese control the greater part of the national domain, to be exploited as they saw fit.

When the details of the Nagamori scheme became known to the Korean people, a popular agitation against it was begun, which grew in strength until it included persons from all walks of life. Soon the agitation took tangible shape in the organization of the "Kong-chin-hoi" Society. Meetings were held in Seoul, where the scheme was discussed and speeches denouncing it were made. Manifestoes directed against the Japanese

were also circulated. Under Japanese pressure, the Emperor issued a proclamation ordering that no more meetings should be held and that the agitation should cease. This led to a great demonstration of the "Kong-chin-hoi" Society before the palace, which was dispersed by Japanese troops, no resistance being offered by the agitators. Thereupon martial law was declared, and the city of Seoul placed under Japanese police authority.

But, although outwardly suppressed, the agitation continued along quieter channels until the Japanese authorities decided to fight it with a counter agitation. This led to the organization of the "Il-chin-hoi." The "Il-chin-hoi" pretended to be an organization of Koreans banded together for purely patriotic purposes. It issued a manifesto to the people declaring its policy to be the protection of the throne and people. The "Il-chin-hoi" drew to it very quickly the riff-raff of Seoul. The members were paid by the Japanese authorities, who provided for them a sort of uniform cap. Hundreds of its members were nothing more than the idle boys of the streets. Soon after its organization, as a starter to its propaganda, the "Il-chin-hoi" held a large meeting just outside the city near the Peking Pass (where the Japanese authorities provided it with a building), and then paraded through the town. The Emperor sent some of his guards to order the crowd to disperse, whereupon the Japanese troops dispersed the Korean guards.

Thus backed by the Japanese military, and am-

ply provided with money to carry their agitation over the country, the "Il-chin-hoi" made rapid headway. It even succeeded in drawing into it many thousands of honest and patriotic Koreans from outside the capital, who, lacking knowledge of the facts surrounding the organization, were captured by the patriotic fervor of its manifestoes. So the "Kong-chin-hoi," unable to hold meetings or agitate, languished; and the "Il-chin-hoi," stimulated by liberal use of Japanese money, waxed strong. The propaganda busied itself disseminating throughout the world news about the efforts the Korean people were making in favor of the Japanese administration of Korean affairs.

However, after pressing it for some time, the Japanese authorities decided that it would be wise to drop, at least for the present, the Nagamori scheme, which seems to have been quietly shelved. The "Il-chin-hoi" continued to hold meetings, but its enthusiasm soon waned. Having served its purpose, the Japanese are less liberal with funds, and it is probable that in a short time the organization will die a natural death, unless kept alive by the Japanese as a convenient "dummy" to illustrate, upon occasion, the popularity of their rule with the Koreans. This is the brief and true history of the one feeble attempt the Koreans have so far made to assert their right to a voice in their own affairs since the Japanese troops landed in the kingdom, and it may be the last. There is not likely to be a revival of serious anti-Japanese agitation, for the Japanese are sending away most of the Korean leaders, such as Y-ong-ik, who have

the energy and ability to perhaps accomplish something; and any forcible resistance is promptly suppressed by Japanese troops. Since the Japanese occupied the country hundreds of Koreans have been summarily executed. Unless some outside influence is brought to bear in their favor the Koreans realize that the independence of their country is forever gone. The common people regard as very significant the fact that since the Japanese have come the Korean independence arch on the Peking Road is beginning to crumble.

Perhaps the most pathetic figure in the present evolution is the Emperor. Harassed on one side by the constant demands of the Japanese, who piece by piece are robbing him of the last vestiges of his former power, and on the other by the complaints of his own officials, who find themselves being rapidly deprived of all authority, he rarely leaves the miserable place where he now resides. With a number of really fine palaces at his command, he lived, when I was in Seoul, in a small house that was formerly one of the outbuildings of the Imperial library. His sleeping room is less than fifty feet from the American legation, and directly between the legation and the quarters of the legation guard. Here, with the Stars and Stripes flying not a hundred feet distant on either side, he fancies himself to some extent secure from physical violence. But he is haunted by constant fears. Many times during the first year of the Japanese occupation Dr. Allen, the former American Minister, was aroused in the night by a request from the Emperor to come to

see him, and often did the kind-hearted man leave his bed to do what he could to assuage His Majesty's alarm. Nobody of consequence in Seoul, except the Emperor, thinks that he is in any real danger, but he has never recovered from the shock caused by the murder of his wife. So here he passes his days, bewailing his unhappy fate to those to whom he dares commit himself, and devising fruitless schemes to get the Japanese out of the country. The Czar was no more anxious during the war for a decisive Russian victory than was this miserable Emperor, and his wish was shared by an immense majority of his people. Living himself in mean circumstances, the Emperor sees attachés of the Japanese legation use his splendid audience halls and the royal gardens to give afternoon teas and lawn parties. Fancy his feelings when compelled to despatch a member of his family to Tokyo to kowtow to the Mikado. It is true, I believe, that the Japanese paid the expenses of the embassy. To this condition have long years of misrule and political inanity brought a king and his people. Perhaps there is something of justice in it all.

Taking a glance into the future, I can see no very flattering prospect before the country. Much depends upon the ability and spirit with which the Japanese conduct its affairs. If, under pressure of acute necessity to recoup her tremendous expenses caused by the war, Japan enters upon a selfish exploitation of Korea, to get what she can out of the country as quickly as possible, I am afraid there is a hard time ahead for most

people there. While in Japan I kept my eyes open for indications of her intentions in regard to Korea. Out of many columns of comment in the native and foreign press I select the following as a fair sample of the discussion that is going on. It is clipped from a foreign newspaper subsidized by the Japanese Government, and it appears to be a résumé of an article in a leading native journal:

OUR KOREAN POLICY

The *Kokumin* says most people have a very nebulous idea about our Korean policy, while those who claim to possess a definite programme are generally labouring under erroneous notions. There are two groups that come under the latter category, and they run to mischievous extremes. One calls its policy a policy of righteousness and humanity, and contends that whatever Japan does for Korea should be done in a purely altruistic spirit. The *Kokumin* denounces this policy as worse than useless, in that it will act on Korea in the same way that the action of an indulgent father would on his prodigal son, and Korea has proved herself a thorough-going prodigal when left to herself. The other group insists on a policy which is quite the reverse of the former, and desires that in all her acts and actions in Korea Japan should be guided by her own interests only. The *Kokumin* regards this as the policy of the man who killed the goose that laid the golden eggs, and says the real policy of ours should be to render what assistance and counselling Korea stands in need of in becoming a well-governed nation, in such a way as to create a community of interests between the two countries, so that at the same and every time we benefit Korea we also profit ourselves.

It will, of course, be noticed that it is, in this article, fully accepted that Japan intends to hold Korea. And it also shows that an influential section of the Japanese press and people regard Korea in the light of one of the fruits of victory, to be exploited to the advantage of Japan regardless of the effect upon Korea. I have purposely

chosen to reproduce the above, because of its singularly moderate tone, which may be assumed to represent the views of the more intelligent and conservative leaders. It is worth noting, however, that there is not the slightest intention of restoring the independence of Korea shown by either party.

Assuming that such a policy as the *Kokumin* here advocates is eventually adopted, what is the future of Korea as a dependency of, or actually a part of Japan? That depends, naturally, upon the resources of the country and the opportunity offered for their development. Korea is not a naturally rich country. It is impossible to obtain accurate statistics bearing upon the resources of the kingdom, for such have never been compiled. But the greater part of the land is not suitable for agriculture, being mountainous and tolerably barren. Still, there are many fertile valleys and uplands. It is estimated that at present about forty per cent. of the arable land is in cultivation, nearly the same proportion as in Japan. As agriculturists the Koreans are about equal to the Japanese, which means they are away behind the times. But they are naturally industrious, and if given an opportunity many of them would become prosperous and even wealthy. Conditions in the country have heretofore retarded the accumulation of wealth by depriving the masses of the people of all incentive to acquire more than they can consume from year to year. The collection of the taxes is in the hands of the local magistracy, which extorts from the people all their surplus earnings. So the

people, knowing that they are unable to keep their wealth unless they succeed in concealing it from the magistrates, have generally contented themselves with merely raising what they could consume. Of course, no general prosperity is possible under such a government. Notwithstanding its wretched administration Korea is out of debt, and some experts hold the opinion that the country can produce ample revenue to support a competent government without burdensome taxation.

One hears much in Japan about what will be accomplished in Korea under Japanese control, through the introduction here of millions of Japanese immigrants who will till the soil and produce wealth. It seems to me that this is taking much for granted. If the Japanese will not or cannot cultivate their own country profitably, it is not to be assumed offhand that they will do in Korea what they have not done at home; besides, the immigration so far is almost entirely of the commercial and small tradesman class. There is a considerable desire on the part of certain classes of Japanese to go to Korea, but there are peculiar reasons for this. In Korea the Japanese lord it over the natives of the country. The average Japanese finds his position superior to the Korean in a similar station of life. Even the Japanese coolie finds a still meaner coolie to do his heavier work and cringe before him. So for the moment life in Korea has its attractions to the Japanese, and they are coming by thousands. But whether this will result in any great benefit to the country is still an open question.

There is undoubtedly room for a considerable development of commerce and the mineral resources of the country. But it will not be all smooth sailing. Even the sorely needed financial reform, although sure to better commercial conditions greatly in the long run, will probably in the beginning work a hardship upon the poorer classes (it has already begun to do so), as the price of commodities, greatly stimulated by the temporary prosperity, will not immediately become adjusted to the new level. And there is likely to be a reaction from the present prosperity, which is due almost entirely to the building of railways by the Japanese. This work will soon be finished, and there is nothing in sight to take its place. Wages will drop to their former level, preceding the fall in the price of commodities, thus decreasing the purchasing power of the people without a corresponding reduction of the cost of living. If within the next few years Korea does not experience a prolonged period of commercial and industrial depression it will be cause for astonishment.

In Korea Japan has a problem, not necessarily an asset, on her hands.

CHAPTER IX

MANCHURIA

Relations of Manchuria to the Far Eastern Question — Japan Rebuffed — The Russian Aggression — Recent Events and Their Significance — Enormous Russian Expenditures — Count Witte's Policy — Admiral Aliexieff's Failure — The Beginning of the War — Prosperity of the Chinese Population — Later Developments — The Japanese Advance — Changes in Conditions — Sufferings of the Chinese — Results of the Japanese Administration — Some Effects of Martial Law upon Non-combatants.

THE relation of Manchuria to the whole Far Eastern question is fundamental. Being the chief bone of contention in the war recently ended and its battle ground, it naturally becomes a principal factor in the settlement. Any final adjustment that does not safeguard the political future and equitable development of this important part of China means a continuance of the chaotic conditions which have prevailed for the last five years; a situation teeming with causes for international irritation and friction, and embodying a constant menace to the peace of the world.

This being true, an examination into the condition of this unhappy country, and the forces now being brought to bear upon its destiny, partakes

of the nature of a surgeon's probe feeling its way among the complex and vital parts of the human body. As accurate knowledge of human anatomy directs the probe, so only can a clear understanding of conditions in Manchuria be relied upon to guide international action. Unfortunately, it is not easy to reach a clear understanding in this instance, for opposing interests are constantly exerted to distort and obscure the facts, while motives of state are cloaked by the suave and often unreliable utterances of diplomacy. However, I shall attempt to depict certain more or less significant conditions in Manchuria during the last few years; and in this endeavor I have the advantage of having been in the country during three different periods, embracing the Russian occupation prior to the war, the Russian occupation during the war, and later during the Japanese occupation of the region from which they had dislodged the Russians.

In order to make clear the present situation in Manchuria and its relation to the eventual settlement, a brief review of the history of the country during the last decade is almost indispensable. Before the war between Japan and China the majority of Western nations hardly realized the existence of this splendid domain. Undoubtedly Russia, owing to territorial contiguity and fundamental interest in Asiatic affairs, was a close observer of the progress of events in this locality. Her plans for the trans-Siberian railway were already matured, and the importance of a terminal as far south as possible was fully recognized. But

Russia was content to proceed deliberately and with caution. At that time China was assumed to be capable of offering effective resistance to foreign aggression, and it was not advisable to draw too much attention to Russia's activity. The China-Japan war, and its unexpected result, brought a change. In this connection it is interesting to note that from Japan's entrance into Asiatic continental affairs the Far Eastern question, as it is now understood, began to take shape. In fact, it is perhaps not too much to say that Japan created the Far Eastern question in its present form, and it is well to keep this in mind in attempts to analyze the causes of the recent war, and its possible results.

The defeat of China by Japan, and the consequent demonstration of China's military impotence, awoke the Western powers to a realization of several important matters. They saw that China was incapable of defending herself, that Japan was ambitious to establish herself on the continent, and that unless the peace terms were modified by intervention the dismemberment of China had actually begun. Russia, being most vitally affected next to China, took the initiative, and succeeded in enlisting the support of France and Germany to deprive Japan of any territorial indemnity except Formosa. It has been the fashion of late years, especially in the British and American press, to criticise Russia's action as depriving Japan of the just fruits of her victory. My own opinion, based on considerable familiarity with the questions involved, is that the action of

the three powers was in itself entirely proper and conducive to the good of the world. Japan got Formosa and a huge indemnity, which more than paid the expenses of the war, while for the moment the integrity of China was preserved. Great Britain and America, both vitally interested in protecting China, sat by with folded hands, refusing to participate in the concert. This was due, at that time, to no sympathy with Japan's ambitions. America's attitude was due to indifference and a desire not to meddle, while England's traditional jealousy of Russia, coupled with good reasons for remaining neutral, probably led her to regard the proposition with suspicion. That the action of France, Germany and Russia was prompted by entirely selfish and perhaps ulterior motives does not detract from the substantial justice of the position taken by them.

Although the balance of power was for the time preserved, two new and vital elements had been injected into Far Eastern politics which were sure to bear fruit. China was helpless, Japan ambitious. Here was food for reflection, and the chancelleries began to buzz with the formulation of new projects. Russia, even then scenting the inevitable collision of her ambitions with those of Japan, and believing that China was on the verge of crumbling, determined to be forehanded in pushing a policy designed to bring to her a goodly share of the spoils. France, already established in the south, began unobtrusively to look after her fences in that direction. Germany, with a budding trade and an Emperor who, as some one has said,

is "looking for interests to protect," lost little time in inventing an excuse to seize Kaio-chou Bay and establish a "sphere of influence" in Shantung. England demanded and secured a lease of Weihai-wei and some adjacent territory, while Russia succeeded in negotiating a lease of Port Arthur. These events came rapidly, and each was largely the cause or result of the others. All of them had their direct origin in the China-Japan war, begun by Japan in pursuance of the ambitions born of her rehabilitation. For the time disappointed, Japan accepted her repulse with such grace as she could assume, and quietly devoted her energy to preparing to renew the fight for a foothold on the continent when favorable opportunity offered.

Meanwhile Russia, having secured permission from China to build the Manchurian branch of the trans-Siberian railway from Harbin to Port Arthur, pushed forward energetically the work of gradually converting that large and fertile region into a Russian adjunct. In this she was favored by circumstances, being able to partially veil her political activity behind the terms of the railway franchise, while the "boxer" disturbances afforded an excuse to send large bodies of troops into the country. Thus she pushed her troops and colonists along with the construction gangs in such a manner that the encroachment was for a time almost imperceptible. That Russia's advance through Manchuria was of immense and lasting material benefit to the country and its inhabitants will not be denied except by the most incorrigible Russophobe. She found the country almost with-

out a government worthy of the name, prospering after a fashion, it is true, because of the industry of the people and the magnificent natural resources of the land. Gradually, and without interfering to any great degree with Chinese administrative processes, although the mailed fist was unhesitatingly employed when occasion demanded, order and a security before unknown were achieved. It is roughly estimated that from the time the Russians began the construction of that part of the railway which runs through Manchuria to the beginning of the war they spent 300,000,000 roubles (\$150,000,000) in the country. Nearly all of this went into the hands of the Chinese population. The general trade of the country, both foreign and domestic, grew with remarkable rapidity. Many enterprises designed to develop the country were inaugurated by the Russians. No less than seven flour mills were built at Harbin, and the inhabitants of the Sungari Valley, which is peculiarly adapted for the purpose, were encouraged and assisted to undertake the culture of wheat. Coal fields were opened, giving employment to many. The building of new towns and the establishment of large barracks provided ready markets for many kinds of native produce and materials. Even the commerce of foreign nations felt the general stimulus. This was particularly true, up to a certain point, of American and Japanese trade. "

This was the situation when Count Witte was compelled to resign the direction of Russia's Far Eastern affairs, and Admiral Aliexieff substi-

tuted. Up to that time the Russian policy, while undoubtedly designed to ultimately bring Manchuria and Korea, and, in the event of dismemberment, North China, under Muscovite control, maintained a cautious and pacific course. Count Witte realized that the only hope for success depended upon making Russian occupation advantageous to the world at large, including the native population, and to this end he directed his wise and far-seeing policy. And there is good reason to think that had he remained in power the war would have been avoided, and without the relinquishment of anything essential to Russia's ambitions. Certainly Japan would never have been given an opening which enabled her to begin the war with the direct sympathy of the nations upon which she must depend for financial support. However, it took Aliexieff but a short time to undo Witte's work. A military policy was substituted for a commercial one, and measures taken not only to bring Manchuria absolutely under Russian control, but to exclude other nations from the privileges and benefits they had enjoyed under their treaties with China. These measures quickly concentrated international attention upon Russia's actions, and brought about the diplomatic pressure, inaugurated by Mr. Hay, to check them by causing the Russians to retire from the country. From the moment Aliexieff assumed the management of affairs, Russia's designs in Manchuria were destined to fail.

When the war began Manchuria was declared to be within the theatre of operations, and Russia,

the whole of it being at that time under her control, established martial law. This martial law was, however, of a mild type, and except in some comparatively unimportant matters did not seriously interfere with ordinary affairs. In fact, the war brought, in the beginning, quite a boom to the country as a whole. Russia immediately began to assemble large armies and undertake extensive works for their accommodation and defence. To supply her troops she purchased immense quantities of native products, which were paid for in cash at unusually high prices. Tens of thousands of Chinese were employed in various capacities, at greatly increased wages. While, for military reasons, the Russian authorities took a somewhat tighter grip than formerly upon control of native administrative affairs, the general administration still remained practically in the hands of the regular Chinese officials. I was with the Russian army during this period, and can testify that the treatment of the Chinese was on the whole just and humane. In stating this I claim no altruistic incentive for Russia. Such a policy was not only wise; it was absolutely necessary under the circumstances. The supplies in the country were needed for the Russian army, and it was only by offering the inducements of good prices and fair dealing that ready and prompt delivery could be secured. There is little ground for the accusations made so freely in the pro-Japanese press, that the Russian military authorities compelled the Chinese to sell their possessions against their will. So far as I could observe, the Chinese were, as a

rule, not only willing but anxious to sell. And why not? Horses and mules, within three months after the war began, were bringing three times their usual price, and nearly all other products advanced in like proportion. Work was plentiful at high wages. The country had just enjoyed several good seasons and was, chiefly owing to the large sums spent during the previous years by Russia, unusually prosperous. The merchants had accumulated large stocks, while even the poorest farmer had at least some vegetables, fowls and eggs to sell. And there was a good market for almost everything useful or edible. Even in respect to dealing with Chinese who were suspected of acting as spies for the Japanese, the Russians were leniently careless—too careless, in fact. Such were general conditions during the earlier part of the war, while the greater part of southern and central Manchuria was occupied by the Russian army.

Later war swept a broad and bloody path through the heart of that fertile and beautiful land. The Japanese armies steadily advanced, until when the war ended they were well into Manchuria, with the best and most thickly populated sections of the country under their control. Naturally, many changes could be observed upon my return to Manchuria, in the summer of 1905. These changes may be divided into two general classes—those due to the inevitable devastation of war, and those resulting from Japanese administration of the provinces wrested from the Russians.

Since responsibility for the detriments to a country ravaged by war is jointly shared, as a general rule, by the belligerents, it is well to consider them first. In Manchuria these detriments were much the same as those which invariably attend war in any country, but circumstances were such as materially to augment both their extent and effect. This war was of a magnitude rarely equalled, and embraced within the actual scope of conflict an almost unparalleled area. Add to these conditions the fact that the principal operations were in a densely populated and highly cultivated region, and the reasons for certain results become clear. After the battle of Liao-yang (September, 1904) the Russian army retreated to a position extending generally from east to west along a small stream called the Sha-ho. Here it was soon confronted by the main Japanese army, and the hostile forces went into winter quarters and remained comparatively inactive for several months. During this period the country occupied by the two armies covered approximately an area of fifty by twenty miles, lying in the valleys of the Liao River and its tributaries, and which supports a Chinese population of about two millions. In this region, before the war, the traveller was never out of sight of half a dozen villages, and almost every acre of land was in cultivation.

The passage of the war trail left this country desolate. There were two principal reasons for this. As the winter of 1904-05 came on, the demand for fuel became imperative, and it was per-

haps inevitable that as soon as the little that remained of standing timber was exhausted, the troops should begin to burn the materials which composed the homes and furniture of the Chinese. Passively succumbing to necessity many Chinese within the Russian lines demolished their homes and sold the material to the Russians for fuel, for which they received a substantial (in the aggregate) but inadequate remuneration. Some of these homeless ones had no alternative than to drift back to Moukden, where they congregated in the course of the winter to the estimated number of 100,000. It is permissible, perhaps, sometimes to pause, in discussing the happenings of the war, to pay a passing tribute to what many assume to be a non-existent quality—Russian humanity. These refugees received much consideration from the Russian military authorities, who did a great deal to mitigate their hardships. Foodstuffs and other supplies, with which the army was none too well supplied, were provided, as well as a large contribution of money, and every assistance was given the Chinese officials and humane organizations in relieving the destitution.

To some extent the same conditions prevailed on the Japanese side. However, since the general movement of the Russian army had been a retrograde one, it had accumulated in its retreat a large majority of the Chinese refugees, who naturally abandoned their habitations in great numbers upon the approach of battle. Many of the refugees had the means of leaving the country, and seeking asylum with relatives and friends in

China proper, outside the war zone; and the Russian authorities, ignoring for humanitarian and common sense reasons the danger of these persons carrying military information, interposed no serious obstacle to their departure.

The Japanese military authorities saw fit to adopt a different attitude. They did not wait until the destruction of their homes compelled the Chinese to vacate, but soon after the occupation of Liao-yang an order was issued that no Chinese were permitted to remain within a designated area embracing the zone of actual contact. The chief reason given for this wholesale eviction was that the Japanese army could not run the risk of these Chinese carrying information about military movements to the enemy. So were several hundred thousand peaceful Chinese compelled to abandon their homes and the greater part of their possessions and seek shelter elsewhere. Nor were they, as on the Russian side of the line, permitted to leave the country. For fear they would give information, they were confined to certain limits under pain of death for any infraction of the regulation. It is worthy of remark, in passing, that this regulation did not, of course, prevent many Chinese from slipping across the border into China, who could have easily turned informers had they the desire and knowledge; but it did succeed in working a needless hardship upon scores of thousands, who were thus thrown back upon the charity of a population already exhausted by the passage of the war dragon. Some thirty thousand of these refugees assembled in

Liao-yang and many others in the larger towns, where they received such succor as offered. Here again did Dr. Westwater, Mr. Webster and other missionaries exert themselves, as they have so often done in the troublous times of the last few years; and the Chinese authorities, as far as they were able, responded to the call. Although the attitude of the Japanese military authorities was such as to hamper external relief, considerable quantities of supplies and materials were, in the course of the spring and summer of 1905, sent through from China to relieve the immediate needs of these refugees and enable them to again become self-sustaining.

Early in 1905 occurred the great battle of Moukden, which swept the Russian army back for another hundred miles and transferred the area of contact to the northern watershed, drained by the Sungari and its tributaries. Soon after this battle an order was issued by the Japanese military authorities giving permission to the Chinese who had been ejected from their habitations in the Sha-ho region to return to their homes. But many of them had no homes to go to. An area of about 1,500 square miles had been largely stripped of buildings and visible improvements, except those used by the combatants for military and other purposes. Here and there one of the larger towns, which had been conveniently situated for a hospital or military base, had been spared, but a great majority of the villages had vanished. Gone also were household articles and agricultural implements, and cattle, fowls and

seeds necessary for sustenance and the planting and cultivation of new crops. Thus were a majority of these unfortunates practically debarred from resuming their customary avocations, owing to lack of tools and means to sustain life until a crop could be raised. Here and there some, with a courage and patience few peoples could equal, raised a roof over the crumbling walls of their former homes, and with such implements and seeds as they could secure began to put in a crop. But it soon developed that this was attended with great danger within the battle zone. During the previous winter both belligerents had planted mines along the lines, while thousands of unexploded shells were lying everywhere. Reports received in Liao-yang during the planting season indicated that probably as many as fifty Chinese farmers were killed by these mines and shells. This mortality is not in itself so terrifying, but the manner of death seriously alarmed the Chinese, who were afraid to work the fields which had been fought over. Under such circumstances, it is not surprising that not more than half a crop should have been planted in 1905 in the eastern part of the Liao valley, a fact that meant much deprivation among the population during the next winter. Of course, thousands of Chinese were killed and maimed in the course of the fighting, but that was apparently regarded as a minor result of the war to non-combatants. The Japanese Government has not yet reimbursed the evicted Chinese for the damage they sustained, although some were given warrants acknowledging the indebtedness,

which were still uncollectible long after they were received.

Far the most significant changes brought by the war in conditions in central and southern Manchuria belong to the second class—those resulting directly and indirectly from the Japanese occupation. It may be well to state at once that under Japanese administration the condition of the Chinese population altered very much for the worse, and that a vast majority would even to-day welcome the return of the Russians. This statement, I know, runs contrary to the fiction that the Chinese regard the Japanese as liberators who fought China's battles against a hated foreign conqueror, which has been widely disseminated. And it would be hardly fair to the Japanese to let it stand without explanation, for while much of the anti-Japanese sentiment now prevailing among all classes of Chinese in Manchuria is undoubtedly due to past and present military administrative measures, much arises from conditions for which the Japanese cannot be held entirely responsible, but which are the result of what had gone before.

Since a majority of the measures which are causing so much discontent among the Chinese are traceable to the Japanese military administration, a brief outline of its working system during the war will throw much light on the subject. Immediately upon their occupation of a district, the Japanese authorities issued proclamations to the Chinese and foreigners, except Japanese, who resided there, informing them that martial law was established and conveying a warning against the

commission of certain acts. The principal proclamations threatened with summary death persons who communicated to any one information about the movements or condition of the Japanese army; those who in any way damaged that part of the railway under Japanese control; those who interrupted or damaged any Japanese telegraph or telephone line; persons who held any communication with the Russians or their agents, and the same penalty was attached to a number of other offences. Another proclamation offered rewards for information regarding the movements or condition of the enemy, of the presence of spies, and of persons who committed any of the acts prohibited by the general proclamations. These proclamations, in Chinese and English, stared one in the face about Newchwang and other places.

However, no reasonable objection can be made to such regulations in themselves, as military measures, although the moral paradox of providing death and a pecuniary reward for the same act, reversed as to its application, may have occurred even to the Chinese. While they did not to the same extent flaunt threats in the faces of the people, the Russians enforced similar regulations, and they are usual in war. Much depends upon the method of enforcement. It will be easily perceived that a very delicate question of human rights is here involved. Here were millions of people, not parties to the war, which was waged over their country without their consent. Circumstances compelled them to have relations with

both belligerents under conditions which placed the non-combatant population completely at the mercy of the military. I assert without hesitation my opinion that in so far as the Russians erred at all in dealing with the Chinese population during the war, it was on the side of leniency. I am also convinced that the Japanese erred most decidedly in the opposite direction.

There was, as the war progressed, a noticeable change in the general character of the Japanese military administration. Early in the war, while only a comparatively small and thinly populated section of the country was under Japanese control, their attitude toward the Chinese seems to have been characterized by moderation. It was considered important at that time to maintain the "liberator" pose, with a view to its effect upon the public sentiment of the world, and also to encourage a friendly disposition toward Japan among the native population further north. And the policy was not entirely without success in this respect, although the people of southern Manchuria retained a lively recollection of the Japanese invasion of ten years before. When I was in central Manchuria early in the war many Chinese regarded the Japanese advance with favor, and hoped for better conditions from it. This sentiment accrued considerably to the advantage of the Japanese army, and brought to it military information of value, while at the same time acting adversely upon the Russian service of security and information. However, by the middle of summer, 1904, reports indicating dissatisfaction

among Chinese officials in the country occupied by the Japanese began to reach us at Liao-yang and Moukden; but I was at that time inclined to regard them as Russian canards, although they came, as a rule, from Chinese sources. Still, there was no general feeling of apprehension at the approach of the Japanese army, beyond the anxiety naturally connected with residence in a war zone.

CHAPTER X

THE JAPANESE IN MANCHURIA

Second Year of the War — The Japanese Administration — Insecurity of Life Among the Chinese Population — Summary Executions — “Ex post facto” Regulations — Effects of the Advance of the Japanese Armies — Work of Spies and Informers — Military Regulations for the Conduct of Non-combatants — Japanese Camp-followers — Hardships of the Chinese — Chinese Financial Losses — Confiscation of Chinese Property.

WHEN, in the summer of 1905, I returned to Manchuria, a year had passed; a year of uninterrupted success to Japanese arms on land and sea. Almost the whole of southern Manchuria was occupied by the Japanese armies and subject to their military administration. Screened by a military censorship which prevented as far as possible publicity concerning events in the country, except such as was given out at Tokyo, martial law was bringing its rigors to bear upon the advancement of a political and commercial policy. The necessity for moderation no longer existed in the same degree as formerly, and as a consequence the military administration treated the native population just as it saw fit. Naturally,

the effects of this administration were felt in many ways, directly and indirectly, and an explanation of some of the then existing conditions may illuminate the whole subject. For purpose of general classification, these effects may be discussed under two headings—effects upon the lives and upon the property of non-combatants.

Although it does not entirely accord with the Oriental view, Western moral ideals consider a man's life of greater importance than his property, so I will discuss the former phase first. To begin with my conclusion, the life of a Chinese in this part of Manchuria was during the war period, and even now is to a large extent absolutely at the mercy of the Japanese military administrators. It is true that the usual law of the land was and now is nominally in force. A man accused of any ordinary crime or misdemeanor will, as a rule, be apprehended by the Chinese officials and tried and punished, if found guilty, by customary process. It would have been impracticable, even if desirable, for the Japanese entirely to take into their own hands the administration of local affairs, for it would have required more administrators than could then be spared, besides having a tendency to foment local disorder. But behind and *above* the law of the land is another, an overlaw, and this law of last resort is under existing conditions nothing but the *will* of the Japanese military administration.

With this fact in mind, the effect of Japanese martial law upon security of life among the Chinese population has added interest. The proc-

clamations which I have briefly summarized enumerated a number of offences punishable by death. It is not possible, at present, to obtain exact figures relating to the number of Chinese who have been executed by the Japanese since they have been in control of the country; for in many instances a man was arrested and not heard from again by his relatives and friends, his fate remaining a matter of moral certainty, but indefinite information. But I was, while in Manchuria, able to talk with a number of foreigners and Chinese on whom I rely, for various reasons, and who are in a position to be well informed about what was going on; and they told me that the number of summary executions of Chinese by the Japanese military authorities has run into the hundreds. All sorts of charges form the basis of these executions, but they all hark back to the proclamations already mentioned. It will be noted that the terms of those proclamations are extremely elastic. For instance, holding communication with the enemy and his agents was punishable by death, but no exact or even approximate definition of what constituted such communication was given. And so with the other clauses. But the Japanese were not satisfied with enforcing their regulations from the time they assumed authority over the country. They gave an *ex post facto* interpretation to them. There is no doubt that they executed many Chinese, some of them high officials, on account of their relations with the Russians during the period of Russian occupation.

When the framers of the Constitution of the United States inserted a clause prohibiting *ex post facto* laws in any form, they merely recognized and safeguarded one of the fundamental principles of human justice. An examination of certain conditions in Manchuria during the war clearly illustrates the application of retroactive regulations by the Japanese. It should be remembered that for several years the Chinese population had been practically under Russian military authority, which they were powerless to resist. Owing to the immense improvements undertaken by the Russians, and the enormous expenditure made necessary by the war, millions of roubles had been put in circulation, and the people had become somewhat accustomed to the use of Russian currency. They could not have well refused this money had they desired, but as soon as they learned that it had a stable value it was received willingly, as any other good money would have been. It was also inevitable that the Chinese officials should, from the necessities of the situation, remain on as good terms as possible with the Russian authorities, and it may be assumed that many of them, from sincere or pecuniary motives, sympathized with Russia in the conflict. And who will deny the right of a Chinese in Manchuria to form and hold his own opinion in a matter like this?

This was the general situation when, by the advance of the Japanese armies, one mailed hand was exchanged for another in the control of the country. The Japanese posted the cities and

towns with their proclamations and set to work to enforce them. Then began a state of affairs which, had it occurred in the Balkans or in Manchuria under Russian control, would quickly have resounded through the world. During the Russian occupation prior to the war, the Japanese Government had sent hundreds of Japanese into the country with instructions to adopt the dress of the Chinese and domesticate themselves; and many of these persons succeeded in escaping detection after hostilities commenced, remaining to act as spies and secret agents. Also were many Chinese in the employ of the Japanese. No sooner did the Japanese armies occupy the country, and promulgate their military regulations, than these informers came out of their retirement and quickly assumed a position of importance. They pointed out to the Japanese authorities Chinese who were known or suspected to sympathize with or have business relations with the Russians. It mattered little that the men thus accused might be of high standing, and the fact that a majority of them, especially officials, could not have avoided relations with the Russians. Many were executed upon the witness of these professional informers, often without even a semblance of a trial. The regulations provided that Chinese who knew of any infraction of them and failed to inform the authorities were punishable by death; while many were tortured in attempts to force them to disclose military information. It is hardly necessary to point out, even assuming that the Japanese military authorities were justified

in taking extreme measures, the abuses which lurk in such a method. Here was opportunity for petty and venal natures to vent personal enmities and spites. And there was the additional stimulus of large rewards. One of the military proclamations expressly offered an increased reward for information of this nature, and in a country like China such an inducement could not fail to bear fruit.

There came also, in the trail of the armies, thousands of Japanese coolies of the meaner sort, who seem to regard the Chinese as conquered people, and certainly have, in many instances, treated them as such. These camp-followers showered petty abuses upon the poorer classes of Chinese, who soon learned the futility of resenting such actions. At first they would complain to the superior Japanese authorities, and occasionally secure the punishment of an offender; but they found this to be an unprofitable proceeding, for it marked them as victims of the informer. It was easy to trump up some kind of a charge. I have it upon creditable authority that Chinese were summarily executed, in the early part of the Japanese occupation, on the evidence of their having Russian money in their possession.

The widespread dissatisfaction with Japanese administration now prevailing among the Chinese is due, however, less to insecurity of life than to its effect upon the material prosperity of the people. The inhabitants of Manchuria are used to war, and life seems less dear to the Oriental than to the Westerner. Even their own government has dealt severely and often unjustly with them.

And in regard to the condition of the country now, as compared with the Russian occupation, certain vital factors cannot be traced to the Japanese, but belong in the category of detriments incidental to war, which they have inherited. I have given some idea of the condition in which the war left a large part of the poorer people, especially the inhabitants of the Liao valley and the former battle zones. In the first year of the war, with a good surplus in hand and excellent crop prospects, the Chinese were glad to sell their products at the high prices prevailing under the Russian regime, and the country was then pretty well stripped of produce adaptable to military uses, especially of animals. During the second year the demand was even greater, but conditions were very different. The Chinese then needed such produce as they retained to subsist upon, and their remaining animals were particularly precious, being absolutely indispensable to the planting and cultivation of the crops. So where, a year before, to purchase a man's horse or mule at a good price was a profitable transaction for him, to compel him to part with it under Japanese occupation was a serious deprivation. Yet the military necessities of the Japanese army compelled frequent requisitions upon the country. It was not the fault of the Japanese that they were occupying a land already stripped of its surplus products, but this did not alter the effect of conditions upon the native population.

Fully recognizing this, there still is no doubt that many matters directly traceable to Japanese

administration are responsible for much of the discontent. With the appearance of the Jap the era of high prices passed. The Japanese is not by nature and habit a "free spender" like the Russian, and besides he is thoroughly acquainted with values in this part of the world. So he at once put commercial and industrial affairs on a normal basis; a usually unfair proceeding, when it is considered that the purchaser not only fixed the price but also, when he chose, compelled the possessor to sell. In other words, the Japanese military authorities "commandeered" supplies wherever they could get them at prices which suited themselves, but which generally did not at all suit the former owners. Upon occasion this procedure was scarcely less than absolute confiscation. For instance, during the Russian occupation many Chinese merchants, taking advantage of the unusual demand, brought large stocks of goods into the country, which they were able to dispose of at a good profit. Since many of these articles were principally consumed by the Russians and other foreigners, and were not of a character used by Orientals to any great extent, the finding of them in possession of native merchants was considered by the Japanese military authorities as ample warrant to seize the goods, and often to imprison or put to death the possessor. Even where it could not be positively shown that the Chinese had been dealing with the Russians, their stocks were often taken by the Japanese on a valuation fixed by their own appraisement, a transaction which represented ruin to many merchants, since it did not

reimburse them for their property under the conditions surrounding its acquisition and transport. Wages were also cut in two, and thousands thrown out of employment, so the change in conditions touched all classes.

But the factor that bore hardest upon the Chinese population was the result of changes in the circulating medium which followed immediately upon Japanese occupation. I have mentioned the introduction of the rouble into circulation, and the reason for it. Early in the war the rouble, under the influence of the speculative manipulation so common throughout the East, fluctuated considerably; but as time passed the people became acquainted with its value and accustomed to its use, and it passed at par, less the discount attendant upon converting it into silver. The sudden influx of the Japanese naturally found large sums of Russian currency in the possession of the Chinese, amounting in the aggregate to many millions of roubles. One of the first acts of the Japanese administration was practically to outlaw the rouble, and while there may have been no calculated connection between this action and certain results from it, there can be no question as to the relation of one to the other. The country had been but a short time under Japanese administration when it became known among the Chinese that to be found in possession of any considerable amount of Russian currency would lead to almost certain arrest and possibly death. This had the natural result of creating a panic, and the people were anxious to get rid of their roubles at almost any

price. Under Russian control there had been no great difficulty about sending the roubles down to Tientsin and other parts of China, where they could be exchanged into other currency, or deposited in the banks subject to draft, and Chinese bankers did a thriving business of this nature. But the Japanese authorities levied an embargo upon this, and the Chinese possessor of Russian currency found himself unable to spend his money in the country and equally unable, except at considerable risk, to exchange it for other money. So the rouble dropped and dropped. Here was a fine speculative opportunity, which was not neglected. Alarming reports were circulated, representing the rouble to be now valueless. Certain commercial houses sent their agents among the people to buy up the roubles, which they secured as low as fifty per cent. of their real value.

A haze of official reticence obscures the details of this remarkable transaction, but certain points stand out plainly enough. As soon as the Japanese occupied Newchwang, the branch there of the Yokohama Specie Bank was reopened, and this bank made the fiscal agent of the Japanese Government in Manchuria. For use in paying the expenses of the army in Manchuria and Korea, the Japanese Government had issued a paper currency in small denominations, known as "war notes." These notes were made on their face redeemable in silver whenever presented at a fiscal agency of the Japanese Government. It was announced that the notes issued in Manchuria would be redeemed at the Tientsin branch of the

Yokohama Specie Bank on certain specified dates. The agents sent among the Chinese to buy up roubles were provided with these notes, although instructed to pay silver when necessary. Naturally the Chinese, ignorant of the value of the new currency, wished to exchange their roubles for silver, but when pressed to accept the Japanese war notes were afraid to refuse, and millions of yen were thus accepted at par. There is good reason to think that many of the roubles thus secured found their way to the Yokohama Specie Bank, which sent them to Tientsin, where they were then and always have been worth practically face value. Undoubtedly many people profited by this neat financial speculation, including some Chinese and foreign commercial houses, whose association with the Japanese authorities is known to be somewhat closer than merely friendly.

Its effects upon the generally poor and ignorant Chinese who thus disposed of their Russian money did not, however, at once terminate. Within a month or two after their introduction the "war notes" began to depreciate. On the occasion of the first date set for their redemption at the Yokohama Specie Bank in Tientsin, so great a crowd assembled that the clerical force could not accommodate the people, and banking hours passed with two-thirds of the offered notes unredeemed. This circumstance, coupled with the regulation which made it necessary to send them to Tientsin for redemption, eventually depreciated the notes more than twenty per cent., most of which loss fell upon the poorer Chinese, who had accepted them for

value received or Russian currency. It is estimated that millions of dollars were "squeezed" out of the Chinese population by this process, which represented, as a rule, a dead loss to those classes which can least afford it. Later the war notes recovered somewhat, and when I was last in Manchuria the ordinary receiver, who took them at par, did not lose on an average more than ten per cent. Thus, with produce rising in value and growing scarcer, with prices and wages declining, and a depreciated currency backed by no specie reserve so far as I could learn, but which they were compelled to accept, it is no wonder that the Chinese in Manchuria grew discontented. The average Chinese is incapable of clearly reasoning from cause to effect through a period of any extent, and he naturally, as he compares his present situation with his prosperity under Russian control, attributes his misfortunes entirely to the Japanese administration. And there is no doubt that the Japanese, in their personal relations with them, treat the Chinese with more severity than did the Russians. This statement will surprise many whose idea of a Russian is represented by the pictures which in a time of disorder in Russia are kept standing with slight alterations in the London illustrated newspapers, and in which a Cossack is usually represented applying a knout to some unfortunate, or impaling a child upon his lance. But I assert it to be substantially a fact, nevertheless. An English resident of Manchuria, in speaking to me upon the way the Japanese authorities have succeeded

in breaking the spirit of the Chinese, tersely said:

“The Japs know how to put the fear of God into their souls.”

In the greater part of the country controlled by the Japanese, especially away from the observation of foreigners, a Chinese could not, during the war, call his life or property his own, and lived in constant fear of the military informer. This is none the less true because most correspondents, in the presence of more striking events, overlooked or chose to ignore the humbler tragedy which the war brought to millions of non-combatants in Manchuria.

CHAPTER XI

THE JAPANESE IN MANCHURIA

CONCLUDED

Effects of the Japanese Occupation of Manchuria upon Foreign Interests — Military Control of Ports of Entry — Some Effects upon American Trade — Disreputable Methods of Competition — Military Blockade upon Commerce — Japanese Colonization of Manchuria — Japanese Judicial Jurisdiction — Judicial Discrimination against Foreigners — Japanese Judicial Supervision over the Chinese — The "Hung-hutzes" — The Neutral Border — Russian and Japanese Military Use of "Hung-hutzes" — General Nogi's Flank Movement — China's Neutrality — Old "Fakes" Revived.

No inquiry into the situation created in Manchuria by the war would be complete without some examination of the effects of the Japanese occupation, so far as it has gone, upon foreign interests in the country. This was the rock upon which the Russian policy first came to grief. And the tendencies of Japanese administration have a significance far beyond present results.

Next to Japan, America had the largest trade in Manchuria prior to the war. During the Russian occupation, even for long after hostilities began, American trade increased rapidly. This was not due to Russian favoritism, but because

some American products had already obtained a good foothold in the country, and many of them are of a character useful to the Russian army. Far from interposing obstacles to their entry, the Russian military authorities exerted themselves to bring them in. No conclusion is to be drawn from this except that, as a general rule, it is advantageous for the Russians to purchase some kinds of American goods, while it is disadvantageous to the Japanese.

When, by the seizure of Dalny, Port Arthur and Newchwang, all the important Manchurian ports of entry passed into the hands of the Japanese, a gradual change commenced to develop, which for a time almost put a stop to American and other foreign trade in the country. Here again we find this resulting from causes arising out of two general conditions—the inevitable detriments of war, and the administrative measures of the Japanese military authorities. Far the greater detriments, as indicated by developments so far, have arisen from the former cause, but those springing from the latter cause have more significance.

Until the battle of Moukden, whereby the Russians lost touch with Sin-min-tun, the northern terminus of the Imperial Railways of North China, a gateway by which goods could enter that part of Manchuria under Russian control remained open, and immense quantities of merchandise for the Russian army and the uses of the Chinese population passed through constantly. The taking of Moukden, and consequent occupation of Sin-min-tun by the Japanese, cut off this avenue of trans-

portation. Assuming that the Japanese were justified during the war, in order to prevent supplies from reaching the Russian army, in entirely interrupting all traffic into northern Manchuria, it was nevertheless a hardship upon the native population, who found both their source of certain supplies and their chief market cut off. And in so far as their supplies were derived from foreign products, the interests of foreign nations also suffered, and will continue to do so while such conditions last. But southern Manchuria was then under the control of the Japanese, and the military reasons which may be assumed by some to justify interruption of commercial communication with northern Manchuria did not apply there. All goods then entering southern Manchuria were either consumed by the Chinese population or accrued to the use of the Japanese army. It may be a matter of regret to the foreign manufacturer or producer that the habits of the Japanese cause them to use comparatively little, especially in their military operations, of ordinary foreign products, but it can hardly be made a matter of complaint. However, the foreign producer, even under war conditions, retains an interest, and a legitimate interest, in the consuming habits and purchasing ability of the Chinese population of Manchuria, where he has spent years in inducing them to accept and use his merchandise. It is interesting, then, to note some of the effects of Japanese administration upon foreign trade in the region under its control.

In discussing this subject I will chiefly adhere,

in selecting episodes for purpose of illustration, to those affecting American interests, because, while illuminating the principle involved, they are, next to the Japanese, the most extensive both in actuality and prospect, and may be assumed to more nearly touch the readers of these pages. The principal American trade in Manchuria is in various kinds of cotton goods, flour, oil and a number of minor food products, such as tobacco and condensed milk. This enumeration is not, of course, intended to be comprehensive. Under Russian occupation, especially after great armies were assembled, a large trade grew up in products used solely by this white population, which may be regarded as temporary unless Russia should eventually annex or control the country, or part of it. So that trade may properly be left out of consideration in this discussion, although its elimination seriously affected American trading firms in the Far East. But certain manifestations directly and perhaps permanently affecting that part of American trade which has been considered to be stable are cropping up under Japanese administration, and some of them have an appearance that greatly disturbs Americans and other foreigners having commercial and property interests in Manchuria.

After the war with China, the Japanese Government used a considerable part of the large indemnity it received to establish and subsidize foreign industries in Japan. One of these industries is the manufacture of cotton goods, with which it hoped to supply a major part of the home demand, and

to compete with American and European products in China. So far, the results have been rather disappointing; and to-day the Japanese Government, financially crippled by the late war, sees the subsidized industries so important to its commercial future languishing and still unable to stand unassisted, while at the same time it is becoming increasingly difficult to continue the subsidies. This statement applies to more than cotton manufactures in Japan. No sooner had the Japanese secured control of trade in Manchuria, by occupation of all the entry ports, than measures were taken to obstruct the importation of foreign goods. Our old acquaintance, "military necessity," so variously useful in the late war, was of course the instrument employed. I will not undertake to delineate the many and often subtle methods by which it has been made extremely difficult and often impossible to import foreign goods into the country. Naturally, all foreign goods were not materially affected. Trade in certain articles even increased, on account of the immediate requirements of the Japanese army. It was only since the last inlet to Manchuria was closed that the shoe began to pinch in earnest, and at present nearly every line of American goods having a sale in that part of the country held by the Japanese is being adversely affected. Nor do the increasing poverty of the Chinese and the recent existence of a state of war altogether explain this condition.

Cloaked by the advance of the Japanese armies and protected from publicity by the censorship, a

movement of great political and commercial significance is going on in Manchuria. This is the colonization by Japanese immigrants of a number of the larger cities and towns. It is similar to the colonization of Korea, except that here it was kept under cover until very recently, and a calculated attempt made to give the impression that the introduction of large numbers of Japanese civilians was merely connected with the military operations. Of late, however, this mask has been to some extent discarded, and the Japanese newspapers are permitted guardedly to refer to the subject. A majority of these immigrants are traders and artisans, with a sprinkling of official and professional people. At Liao-yang, Hai-cheng, Kai-ping and Newchwang there are now large and apparently thriving colonies, and a Japanese concession is being laid out at Moukden. It may be remarked, in passing, that this colonization is directly contrary to the published treaty now in force between Japan and China, except in regard to the treaty ports of Newchwang and Antung. These immigrants, under the protection and with the direct assistance of the military authorities, are opening shops and engaging in all kinds of enterprises. Already has the military administration supported some of these immigrants in unwarranted property claims against the Chinese, and even, in a few instances that I know of, against foreigners.

I introduced this matter of Japanese immigration into Manchuria here, however, not to call attention to its political significance, but to point

out certain effects it is having upon foreign, and particularly American commercial interests. Take the item of cotton fabrics. Every commercial house that has ever done business in the Far East knows the importance the Chinese attach to the trade-mark of an article, or the "chop," to use the vernacular. Certain brands of cotton goods manufactured in America have become well and favorably known in Manchuria, where they find a ready sale, and this is true of other lines. Since the Japanese occupation it has been difficult to import these goods into Manchuria, and godowns at Shanghai and Tientsin were, when the war ended, filled with cases awaiting shipment. Shortly before peace was made the Shanghai Chamber of Commerce, an institution representing all nationalities, addressed the Japanese authorities regarding the embargo upon trade, and received a polite reply, stating that the military officials, while keenly regretting the detrimental effect of the war upon commerce, did not see their way to modify the regulations then. But while "military necessity" did not permit, except such as were required by the Japanese themselves, the importation of foreign goods into the country, the Japanese traders and commercial agents were making the most of the opportunity thus afforded. And they are not scrupulous about the methods employed. For instance, I have seen counterfeit labels of three brands of American cottons pasted upon fabrics of similar color and appearance. The counterfeit labels are poor imitations, and easily detected, but are quite sufficient to deceive the

Chinese purchaser who cannot read English. Where can the goods which are thus being pushed under false colors come from if not from Japan? I have no proof that they do come from there, but an understanding of all the surrounding conditions makes it a moral certainty. I have also seen counterfeits of the labels of American tinned meats, of a brand of condensed milk that has a large sale in the Orient, and of a brand of American cigarettes until recently made in factories taken over from the American owners by the Japanese Government when it created its tobacco monopoly. There is little reasonable doubt that this inferior stuff was brought into the country under cover of the protection afforded by the military embargo, and foisted upon the Chinese as the genuine articles. I was unable to determine the extent of this imposition, but know it is considerable in the interior, where it is less likely to be detected. It is easy to see that its effect will be not only to institute an unfair competition, but ultimately to ruin the reputation of the genuine product. I have no proof that the Japanese Government is privy to these transactions, but its relations to at least one of the enterprises thus affected are such as to give ground for grave suspicion, even if the surrounding circumstances were less convincing. After six months of energetic diplomatic pressure at Peking, the Japanese minister at last induced the Chinese Government, in the summer of 1905, to refuse to issue passports to all foreigners desiring to travel outside the Great Wall, and the American

and other ministers apparently acquiesced in the ruling. Thus was the door closed upon foreign individuals as well as foreign goods.

In respect to the effect of Japanese administration upon foreign property rights in Manchuria several cases came to my notice, and I select one to use as illustration because it embodies some essential and fundamental features. A foreigner residing in a town in Manchuria acquired, in the course of a somewhat complicated transaction with a Chinese, an imperfect title to a piece of real estate, which title the Chinese subsequently refused to perfect, although the foreigner held his written agreement to do so. The matter, which had originated during the Russian occupation, but which was subject to the extra-territorial laws, finally reached a point where the foreigner felt it necessary to resort to law to compel the Chinese to fulfil his agreement. He naturally expected the cause to be determined by the consular authorities, but found that the Japanese military court had assumed jurisdiction over civil affairs. Meanwhile a number of Japanese immigrants had "squatted" on the property and commenced to erect buildings. When the foreigner learned this, he at once protested to the Japanese authorities, and was assured that the building would be stopped pending a decision of the case. But unexpected delays in the adjudication of the case intervened, and meanwhile, notwithstanding the assurance of the officials, the Japanese continued to build on the property. Renewed protests brought renewed assurances, but no relief. My,

last information was that the case had not yet been decided; but the Japanese judge sent to inquire of the interested foreigner whether, in the event of the decision being given in his favor, he would permit the Japanese to remain on the property.

The incident is so trivial that it would not be worthy of mention did it not illustrate a very significant point. This happened in a treaty port, where subjects or citizens of other nations are supposed to enjoy the same rights and privileges as the Japanese, and where any dealings with Chinese are regulated by the various treaties with the Chinese Government. Yet in this case, and it is only one of many of similar character, the Japanese authorities assumed jurisdiction in litigation between a Chinese and a foreigner, in which no Japanese interest was involved. The fact that the country was, at the time the litigation arose, under military law afforded the excuse for claiming jurisdiction and the power to enforce it; but some time after the war ended the Japanese authorities still continued to exercise jurisdiction in such cases and there is no evidence of any genuine intention to relinquish it. It is not necessary to multiply these illustrations of the practical operation of Japanese administration in Manchuria. Enough has probably been related to give an idea of the general effect and aim of the administrative policy, which is undoubtedly directed from Tokyo, upon interests other than Japanese, and from the present perhaps some inkling of the future may be gleaned. Even if, after conditions have settled somewhat, foreign diplomatic pressure should

secure a modification of these conditions, the interim will have served to give Japanese commerce and industry an advantage.

In the treatment of Chinese inhabitants, with reference to disputes and litigation arising between Japanese and Chinese, an even more partisan attitude has often been adopted in the adjudication of causes. Under ordinary circumstances such matters would be decided, outside the treaty ports, by the regular Chinese courts. But one of the first acts of the Japanese upon occupying a locality was to curtail the jurisdiction and often to entirely abolish the authority of the Chinese courts, even in regard to purely Chinese administrative affairs; while, of course, no Chinese court was permitted to have anything to say about matters involving Japanese. I have mentioned the influx of Japanese immigrants under cover of military necessity. A great majority of these immigrants are of the same low character as those in Korea, and their conduct is much the same. They have been distributed in all parts of the country under Japanese control, where they lost no time in establishing themselves as comfortably as possible. Nor did they, especially during the war, hesitate to take possession of anything they fancied. For various reasons easily understood, thousands of Chinese, many of them persons of substance, abandoned their homes upon the advance of the Japanese armies. Many of the non-combatant Japanese who came in the wake of the armies found these abandoned homes convenient to their use, and promptly occupied them.

As time passed and partial order was restored in these regions, the refugee Chinese began to return, only to find, in many instances, Japanese "squatters" established in their former homes. Under the existing circumstances the only remedy of the Chinese lay in an appeal to the courts, which meant the adjudication of the issue by a Japanese official.

It is not my purpose to excite indignation against Japan by narrating in detail some of the specific instances of injustice and lasting injury done to Chinese residents of Manchuria under this system. The general condition is common to war in populated countries, where innocent people become vicarious sacrifices to circumstances beyond their control, and it would have been impossible entirely to avoid such manifestations. But it is certainly pertinent and proper to indicate some of the immediate effects of Japanese administration upon the inhabitants. And as to the methods of the Japanese authorities, the line of conduct pursued in the cited case of a foreigner in a treaty port may well serve as an example. It is true that many Chinese, after long and aggravating delay, succeeded in having their property restored to them; but many have so far failed, with little prospect of ever obtaining possession or satisfactory reimbursement. Indeed, conditions have been such that hundreds of Chinese who found themselves in this predicament have chosen to swallow their loss rather than run the risk of becoming the object of serious accusations under the provisions of the military proclamations, which might be, and often

were under similar circumstances, preferred by Japanese threatened with eviction. If, after normal conditions are restored in the country and Chinese administrative autonomy is permitted to resume its functions (in my opinion a remote, perhaps never-to-be contingency), the lapse of time, the presumption of possession and the difficulty of producing evidence will operate against the chances of the rightful owner obtaining an equitable settlement.

Before passing from special conditions in Manchuria and their relations to the broader aspects of the Eastern question, it may be well to refer to some local manifestations peculiar to this part of China, which have been the subject of considerable comment and misunderstanding. Prominent in this class is the institution known as "Hung-hutzes." To really understand the "hung-hutze" organization and its functional relations to governmental processes in Manchuria one must understand China; and to know China is difficult. I will not attempt to trace the development of civilization in this part of the world in order to detect the sources of this quaint institution; although it might reveal in many of its progressive phases an analogy to common elements in Western life. Suffice to say that there developed in Manchuria a social condition where private security, outside of cities or the denser populated areas, was largely dependent upon the use of paid mercenaries. In time these mercenaries extended and to some extent perfected an organization, with established rules and recognized chiefs, and gradually

through common usage came to exercise certain functions. To put the matter tersely, the "hung-hutze" is a mixture of policeman and robber. It is true that regular authority has always regarded him as an outlaw; but by an arrangement similar, in its essential features, to the understandings that exist between our police and some elements of the criminal classes, he was often useful to it, and enjoyed considerable immunity so long as his operations were confined to certain limits. As a result, in a country where central authority is unusually weak, the commercial classes formerly found it profitable to pay the "hung-hutzes" for protection of their junks and caravans. The attitude of the "hung-hutze" is very simple. "You pay me and I will assure safe conduct to you and your goods; refuse and I will rob you myself." As a rule, the Chinese in Manchuria have found that it paid to pay. Naturally, the "hung-hutzes" are recruited largely from the disorderly and criminal classes, and many ex-soldiers are to be found among them. Among a distinctly unmilitary people, coupled with possession of arms, which is uncommon, it was at one time easy for an organization like this to terrorize outlying regions and even, upon occasion, to defy the regular authorities. And in a nation where local autonomy in government is carried to its extreme limit, the central government at Peking was unable to interfere effectively.

After the "boxer" disorders in north China thousands of Chinese who had taken part in the attacks upon foreigners, many of them former sol-

diers, and who feared punishment, sought safety in Mongolia and Manchuria with the "hung-hutzes." Owing to the looting of the great arsenal at Tientsin, these former "boxers" were armed with rifles and swords, and possessed plenty of ammunition. As a result, the "hung-hutzes" became more powerful than ever before. But a new force came to oppose them, and, for the first time, drag them into the fierce light of international publicity. This was the Russian occupation of Manchuria. The Russian Government had seized the opportunity afforded by the "boxer" trouble to send thousands of troops into north China and Manchuria, and was seeking excuses to keep them there. In this dilemma the "hung-hutzes" served the object, and provided employment for the Russian soldiers. When the Russians finished with them the "hung-hutzes" were crushed as an organization, although repeatedly resurrected for political purposes. But the human integrals remained, dispersed among the rural population, where were also hidden their arms and equipments.

So it was when hostilities between Russia and Japan commenced, and Manchuria became the scene of the conflict. As soon as war was declared John Hay called the attention of the powers to the desirability of confining the hostilities to a specifically delineated area, which suggestion met with general approval. This area was made to include Korea and that part of Manchuria lying east of the Liao River, which stream marked the boundary of the neutral zone; and both the bellig-

erent nations formally agreed to the limitation and bound themselves to respect it. When the war began all the territory contiguous to the neutral border was in possession of the Russians. It soon became evident that it was necessary to keep a close watch upon the boundary, in order to prevent if possible the operations of Japanese spies. So considerable bodies of Russian cavalry constantly patrolled the Liao River, and frequently made incursions into the neutral zone in pursuit of suspects or in search of information. This quickly attracted the attention of the Japanese minister at Peking, who promptly protested that the Russians were violating the neutrality of China, and the cables carried the charge over the world. At that time the Japanese were not in a position to come in military contact with the neutral zone, but they expected to be, and were acting on the well-used diplomatic canon: "Accuse your antagonist first."

The Russian authorities replied that their trifling incursions into neutral territory were made necessary by the fact that Japanese agents were engaged in assembling and arming former "hung-hutzes" and using them to cloak the operations of Japanese spies in the war zone. In this connection it should be remembered that the Liao River is only a short distance from Moukden, Liao-yang and other then important Russian military bases, and the railway which fed the Russian army. It is a fact that early in the war a number of expeditions were undertaken by Japanese officers in disguise, penetrating from neutral ter-

ritory, with a view to interrupting traffic on the Russian railway, and while failure attended nearly all such attempts it was not a matter to be ignored. The protest of Russia against the massing of any large number of Chinese troops along the neutral border, and the diplomatic dangers entailed by such action on the part of China, resulted in poor policing of the territory, and a consequent revival of genuine "hung-hutze" operations. Both belligerents found in these "hung-hutze" bands a convenient agency, and both used them to any feasible extent, which at that time was slight. It may be said that Russia and Japan, in their counter-assertions and accusations, both told the truth about their opponent and lied about themselves. Under the circumstances it would probably have been impossible to respect absolutely the integrity of the neutral boundary.

But in view of the prevailing impression that Russia was the chief offender in this respect, it is pertinent to show that the only material and important violation of the neutrality of China, and one which powerfully influenced the general result of the war, was the act of the Japanese. I refer to the flanking movement of General Nogi at the battle of Moukden, by which the right of the Russian army was turned. Immediately after the battle the Russian commander, through his government, called international attention to this violation of neutral territory and its disastrous consequence to the Russian army. The Japanese Government promptly denied the charge *in toto*, in a communication which, if it was not trans-

mitted to other governments through diplomatic channels, was given to the press of the world as an official statement. Here again we encounter a representation of the Japanese Government in regard to an important matter of fact, and since, in view of the position the nation has now assumed in the world, the question of the dependence to be placed upon its diplomatic and otherwise official assurances is of great interest and importance, the truth should be known. I travelled along the neutral border soon after the battle of Moukden for the purpose of informing myself about conditions, and investigated this matter. Without repeating here the many evidences upon which I base my opinion, I do not hesitate to go on record by stating that a considerable part of General Nogi's army crossed the Liao River and, masked by a cloud of Japanese cavalry disguised as and intermixed with "hung-hutzes," made a detour to the north and, recrossing the river, fell upon the right and rear of the Russian army. The question at issue in the circumstances which attended this incident is not the possible stupidity or negligence of the Russian scouts, or the cleverness of the Japanese commander in thus stealing a march upon the enemy; but was there a deliberate and carefully planned violation of an international obligation? There can be but one truthful answer to this question, and that affirmative.

Before dismissing an incidental situation which may be reproduced in some degree in almost any war, and consequently carries broad possibilities, one or two other phases may be cited. While the

Russian army still occupied Moukden the Imperial Railways of North China, whose northern terminus is now at Sin-min-tun, a town a few miles west of the Liao River, was of great help in the introduction of supplies for the army and native population. After the Japanese army occupied Moukden this railway became equally valuable to it. All through the war the Chinese Government had winked at the fact that the railway (it is a British corporation) was carrying miscellaneous supplies which eventually found their way inside the Russian lines. Nor is it easy to see just how this might have been consistently stopped; for the responsibility of the railway terminated when it deposited the goods at Sin-min-tun, and food-stuffs, which constituted the bulk of supplies thus sent, are not properly contraband. Besides, the needs of millions of Chinese residing in the war zone had to be considered. Taken altogether, it is a very pretty problem in neutrality that was here presented, and one is hardly prepared to settle it outright. But the disposition of the Japanese, now so constantly in evidence throughout the Far East, to adopt Russian methods with improvements and extensions, created an unexpected complication. Soon after their occupation of Moukden, the Japanese authorities began to offer to the railway large quantities of military supplies which had been landed at the port of Newchwang, to be transported, via Kao-pang-tze, to Sin-min-tun. By this time the Japanese had openly established a garrison at Sin-min-tun, well inside the neutral zone, and exercised a sort of supervision

of the railway terminus there. The railway company promptly refused to accept such shipments from one Japanese military base to another, through neutral Chinese territory; with the result that Japanese troops occupied the railway terminus at Yinkow, just across the river from Newchwang, and informed the local railway officials that unless their shipments were carried they would seize the railway north of Kao-pang-tze. The railway officials thereupon withdrew their rolling stock over night from the Yinkow and Sin-min-tun divisions and stopped the operation of trains. This action immediately damped the arbitrary ardor of the Japanese, for a railway without rolling stock is not very useful, and when the matter was diplomatically taken up in Peking the Japanese Government disavowed responsibility for the incident. Ultimately a way was found to ship considerable quantities of Japanese supplies by this route without too openly violating the obligations of Chinese neutrality.

After the battle of Moukden all pretence of respecting the neutral border north of Sin-min-tun was practically abandoned by the field representatives of both belligerents, and until the end of the war it became a contest as to which could better use the facilities of the border country. Here the advantage rested decidedly with the Japanese, for the prestige of success and the growing fear of them in the minds of the Chinese became valuable assets. Japanese officers were entrusted with the task of arming and organizing the "hung-hutzes," and converting them

into an irregular force, to strip western Manchuria and eastern Mongolia of products available for military uses. Thus were several thousand military bandits turned loose upon the country, to the great annoyance and suffering of the people; and when their depredations attracted attention at Peking their operations were charged upon the Russians, and the disorders used as a further excuse to establish Japanese troops in the region affected. In replying to a protest of foreign mercantile firms, after the conclusion of peace, that their goods were not permitted free transit in Manchuria, the Japanese military authorities gave as a reason for this disability the unusual activity of the "hung-hutzes." The use made by the Russian military authorities of "hung-hutzes" in the late war was insignificant compared to their systematic handling by the Japanese.

Thus, in political manipulation of circumstances and events in the Far East during the last few years, have the Japanese fished out and adapted to their uses almost every well-worn "fake" in the Russian diplomatic junk-heap.

CHAPTER XII

FOREIGN POLICIES IN CHINA

Unreliability of Diplomatic Utterances as a Basis for Sound Opinion — Basic Motive of Most Foreign Policies in the Far East — The British Policy — Birth of the "Open Door" Doctrine — England's Motive in Advancing It — Securing Support for the New Doctrine — Progress of the Forces for Dismemberment — The "Sphere of Influence" Doctrine — Proposed Division of China — The Anglo-German Agreement — The "Yiang-tse Valley" Agreement — The Hay Agreement — Lesson of the "Boxer" Troubles.

ANY intelligent observer of recent events in the Far East must have been impressed by the fact that, during all the political scheming and wire-pulling that has taken place in China and Korea, outward diplomatic harmony has usually prevailed among the foreign powers interested in the solution. The chancelleries have apparently been agreed as to what was proper to do, and only seemingly trifling differences as to method have ever caused a hitch. All the powers have favored the political integrity of China. All the powers have, at times, advocated the "open door." They have not only frequently so expressed themselves,

through their accredited diplomatic agents, but some have gone on record in more than one document of state. Witness the international agreement guaranteeing the integrity of China and the "open door," which Mr. Hay induced all the chiefly interested powers to accept. With what a blare of diplomatic trumpets was this important matter announced to the world. Judged by their diplomatic utterances, the Russian and Japanese governments both desired the same things in Manchuria and Korea. Yet suddenly they surprised the greater part of the world by flying at each other's throats.

It is not merely to have a fling at prevailing diplomatic methods that I here refer to these matters of common knowledge, but to point out that such utterances are worth no more to-day than they were three years ago as a basis for rational opinion. So it is necessary, in attempting to estimate the future course of events in the Far East, to search for national motives not only in the diplomatic statements of the respective governments, but also by examination into their policies as demonstrated by actual facts and the analogy of contemporaneous conditions; and to determine their drift with even tolerable accuracy they should be examined separately.

Of the various foreign policies now actively exerted in the Far East, it may be said that the objects of all are substantially the same, and spring from that kind of patriotism which has been wittily described as "the love of another man's country, and the determination to grab it." With

the single exception, among the greater powers, of the United States of America, these policies have the common intent to control as large a part of the Orient as is possible, either by open political administration or surreptitious device; and if some now appear superficially to contradict this statement, it is because for the moment a greater prospective advantage promises to follow a moderate course. And, in excepting the United States, candor compels me to say that its attitude is probably due, in a measure, to past and present national indifference to wider political and commercial prospects and to the fact that, in respect to the continental Far East, it was a little late in getting into the game and found everything preempted. The fact that the scheme of nature has a way, in balancing the accounts of civilization, of extracting more good than evil out of the forces which shape the evolution of the race, deprives this statement of the pessimism it would otherwise contain.

Since Great Britain was the pioneer among the greater Western powers in the Orient, and has long exerted and still exerts great influence upon the course of events there, one naturally turns to her first. Owing to her possession of India and other Oriental countries, the relations of Great Britain with China have for centuries been regarded by British statesmen as important, and pains have been taken to advance British interests in the Celestial empire. Except commercially, the British policy has not usually been aggressive, but has, especially in the absence of any active com-

petition in the field, been cautious and ingratiating. From the vantage point of Hong-Kong, which she early had the foresight to secure, England slowly but surely extended her commerce, and with it her political influence, throughout the Far East. When the Far Eastern question assumed its present tendency, which I have found it convenient to date from the China-Japan war, England's position in that part of the world was decidedly superior to that of any other Western power. Her commerce was firmly established, nearly all of the great foreign financial, commercial, industrial and shipping enterprises being in British hands. In short, without entering extensively into details, she was in a position to encounter competition from a point of vantage.

It is probable that British statesmen regarded Japan's decisive victory over China with mixed emotions. They very likely were surprised, in common with the greater part of the world; but they do not seem to have been at all sure as to the immediate or probable effects. England refused to join with Russia, Germany and France in shooing Japan off the continent. Scrutinizing her attitude at this time its astuteness is obvious. By refusing to take sides she was in a position to retain the friendship of both China and Japan; and, besides, her refusal did not affect matters one way or the other. Significant events followed fast. It soon became clear that, in invoking a concert to suppress Japan in the interest of Western civilization, Russia had in mind to herself reap most of the material benefits of the transaction. Before

Russia secured Port Arthur England cared little for a coaling station in north China. But now she at once felt the necessity of having one, and nabbed Wei-hei-wei. Then came Germany's seizure of Kiao-chou Bay, and tentative reaching for the Philippines. England was not exactly alarmed, but she realized that these moves meant new forces in the Far East, which might limit her progress or even threaten her existing advantage. So British statesmen set to work to devise a policy that might be used to safeguard England's interests. Presently this policy made its bow to the world in the shape of the "open door" doctrine.

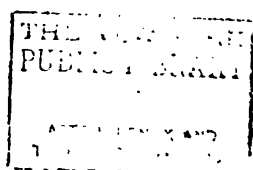
This doctrine has been so much discussed in recent years that it is hardly necessary to define it; but it may help to say that its vital principle is to maintain in those Oriental countries which, on account of internal weakness, are unable to resist external aggression and are, consequently, liable to it, an equal commercial and industrial opportunity to all foreign nations. There can be no doubt that this is a just principle; so much so that in time all the interested powers have felt compelled to put themselves on record as approving it, no matter what their real desires and intentions may have been or may be now. However, he is but an amateur in international matters who thinks that in advancing this just policy England was prompted by altruistic motives. At the time she began to proselyte for the "open door," as a possible antidote to the threatening dismemberment of China, this happened or was thought to be a policy peculiarly fitted to advance the inter-

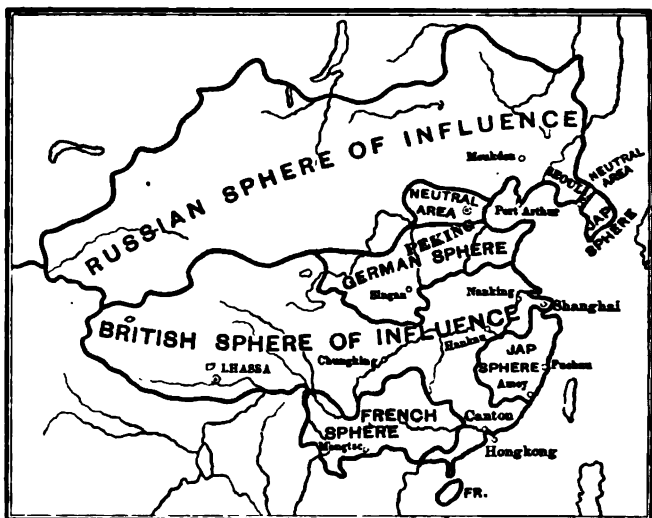
ests of Great Britain. British commerce, as I have said, was already firmly established throughout the countries to be affected by the doctrine, and there existed little if any doubt in the minds of British statesmen of the ability of British interests to maintain their superior position against any competition lacking the assistance of special political pressure. The only way to permanently apply such pressure in China and Korea is for sections of those countries to fall under the domination of nations whose commercial rivalry England fears. So the "open door" doctrine was designed by British statesmen to secure the existing supremacy of their commercial interests, and indirectly their political interests in the Far East, and incidentally to compel prospective competitive nations to enter the field at a disadvantage. This attitude was not without some justice. During the course of many years English sailors and merchants, with the direct encouragement and assistance of the government, had built up a large and profitable business in the Orient, and they had a certain right to interpose a reasonable objection to seeing much of this trade depreciated or destroyed by the political intervention of other foreign nations.

Having launched the new doctrine, England set out to secure supporters for it. For this she freely used the British control of news services from the Far East, which was almost absolute at that time; and in addition sent many prominent men, some of them officials of the government, to travel in the Orient and write books exploiting the British

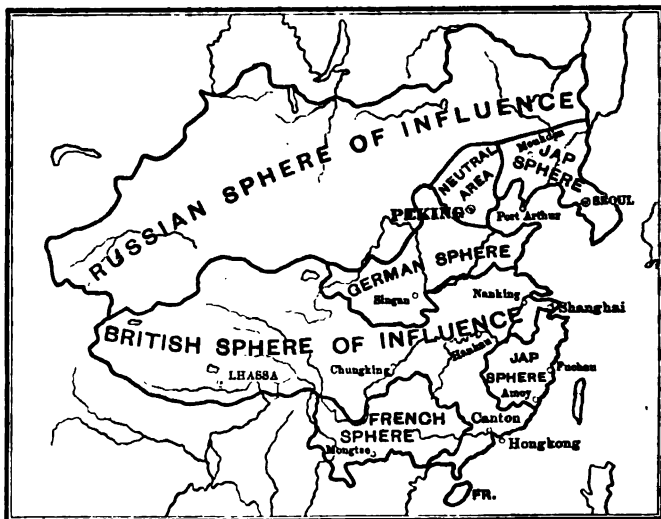
point of view. The propaganda was particularly directed to America, where circumstances favored its acceptance. This favorable disposition was probably largely due to the invention, presumably by Germany, of a doctrine designed to evade the "open door" without seeming to override it; and which eventually came to be known as the "sphere of influence" doctrine. Meanwhile, the unexpected acquisition of the Philippines by the United States of America tended to draw the attention of Americans to a part of the world to which they had been comparatively indifferent. At this time (say 1899) the situation in China seemed to presage early dismemberment. About then the "sphere of influence" doctrine reached the height of its acceptance. Even England was either deceived as to its real intent, or had made up her mind to accept the inevitable and grab for herself as large a slice of China as possible. At any rate, there is no doubt that she toyed with the "sphere of influence" doctrine, and at one time seemed on the verge of accepting it outright.

It is interesting, in this connection, to recall the situation in China at that time. Although the occupation of portions of the empire by the troops of foreign nations was not so extensive as it became later and is to-day, the intentions of a number of them had been rather clearly expressed, either in diplomatic correspondence or significant moves. It was generally agreed that should dismemberment take place, Russia expected to get Manchuria, Pechihli province, and the greater part of Mongolia. Germany laid claim to Shan-





Map of the empires of China and Korea, showing the various "spheres of influence" tentatively claimed by foreign powers at the time the "sphere of influence" doctrine attained its most definite form (about 1899). The immediate vicinities surrounding Peking and Seoul, the capitals of the two empires, were by common consent considered to be neutral ground where all interests met on equal footing.



Map of the empires of China and Korea, showing the tentative status of the various "spheres of influence" with the changes caused by the result of the Russo-Japanese war. The only material change is in the positions of Japan and Russia. Japan now controls the whole of Korea, even the neutral area surrounding Seoul being eliminated, and the southern part of Manchuria; while Russia's position north of the Great Wall has receded a little.

The United States of America is the only one of the great powers directly interested in the future of the Far East that is without any "sphere of influence" that is even tentatively recognized by the other foreign powers.

tung, and territory lying directly to the westward, including Shansi, Shensi and that part of Mongolia adjoining Tibet on the north. France had staked out the provinces contiguous to her Tongking possessions, and probably would have been contented with Yunnan, Kwangsi, Kweichau and the island of Hainan. Japan had her desires fixed on Fukien, Chekiang and Kiangsi provinces. This left for England Tibet and the provinces of Kiangsu, Nganhwui, Honan, Hupeh, Hunan, Kwangtung and Czechuen, embracing the entire Yiang-tse valley, and an outlet from it to the south through Hunan and Kwangtung to Canton. While there is at present a disposition in some quarters to regard the "sphere of influence" doctrine as something never sufficiently delimited to have been capable of adjustment, there is no doubt that a fairly close understanding was had among the interested powers. In fact, there is little doubt that at least three of them had reached a definite agreement. The matter was so well understood that numerous maps indicating the respective "spheres of influence" were published throughout the world, which, while usually attended by a depreciatory attitude in diplomatic circles, undoubtedly contained a strong element of probability.

Thus was the whole of the Chinese Empire appropriated in prospect, and while the fate of Korea was not so actively discussed, it was generally thought that she would fall to Japan or Russia, or be divided between them. It will be noticed, in fact it was noticed at the time, that should

dismemberment take place along these lines the United States would be left entirely out of it. Realization of this, coupled with the belief that with equal opportunities American trade will be able to make headway in the Orient, drew American statesmen to the "open door" doctrine. While there should never have been any doubt that the "sphere of influence" idea is diametrically opposed to the "open door," England flirted with it for a while. Reasonable, I may say positive, proof of this exists. I refer to what is known as the "Yiang-tse valley agreement" between England and China, and the somewhat similar agreement between England and Germany. Without entering into the details of this latter document, it suffices to say that its kernel lay in a mutual agreement on the part of Germany and England to recognize and respect each other's interests in their respective spheres of influence. This agreement, following the one with China, was too significant not to attract attention. What is essential is that it attracted the special attention of John Hay. That statesman must have seen that England was inclined to play fast and loose with the "open door" doctrine, after America had virtually been committed to it, for he lost no time in taking action. He addressed a note to the German Government, which, as it led to international action of great importance, may be profitably reproduced, in part, here. The communication was dated September 6, 1899, and was addressed to Count von Bülow, the German minister for foreign affairs.

SIR: At the time when the Government of the United States was informed by that of Germany that it had leased the port of Kiao-chou and the adjacent territory in the province of Shantung, assurances were given to the ambassador of the United States at Berlin, by the Imperial German minister of foreign affairs, that the rights and privileges insured by treaties with China to citizens of the United States would not thereby suffer or be in any way impaired within the area over which Germany had thus obtained control. More recently, however, the British Government recognized by a formal agreement with Germany, the exclusive right of the latter country to enjoy in said leased area and the contiguous "sphere of influence or interest" certain privileges, more especially those relating to railroads and mining enterprises; but as the exact nature of the rights thus recognized has not been clearly defined, it is possible that serious conflicts of interest may at any time arise, not only between British and German subjects within said area, but that the interests of our citizens may also be jeopardized thereby. Earnestly desirous to remove any cause for irritation and to insure at the same time to the commerce of all nations in China the undoubted benefits which should accrue from a formal recognition by the various powers claiming "spheres of interest" that they shall enjoy perfect equality of treatment for their commerce and navigation within such "spheres," the Government of the United States of America would be pleased to see His Imperial German Majesty's government give formal assurances and lend its coöperation in securing like assurances from the other interested powers that each, within its respective sphere of whatever influence,

First: Will in no way interfere with any treaty port or any vested interest within any so-called "sphere of influence" or leased territory it may have in China.

Second: That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "spheres of influence" (unless they be free ports), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third: That it will levy no higher harbor dues on vessels of another nationality frequenting any port of such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled or operated within such "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

The communication closed with some suggestions as to the method to be adopted to secure such agreement among the powers. An exchange of views took place during the course of the next few months between Mr. Hay and various European chancelleries on the subject. Although there is little doubt that some of them hesitated to accept the suggestion, none was in a position to decline gracefully, and in the end all acceded; whereupon Mr. Hay so informed Count von Bülow. Count von Bülow's reply on this occasion is interesting and worth reproduction. It bears the date of February 19, 1900.

Your Excellency informed me, in a memorandum presented on the twenty-fourth of last month, that the Government of the United States of America had received satisfactory written replies from all the Powers to which an inquiry had been addressed, similar to that contained in your Excellency's note of September 26 last, in regard to the policy of the open door in China. While referring to this, your Excellency thereupon expressed the wish that the Imperial Government would now also give its answer in writing. Gladly complying with this wish, I have the honor to inform your Excellency, repeating the statements already made verbally, as follows:

As recognized by the Government of the United States of America, according to your Excellency's note referred to above the Imperial Government has, from the beginning, not only asserted, but also carried out to the fullest extent, in its Chinese possessions, absolute equality of treatment of all nations with regard to trade, navigation and commerce. The Imperial Government entertains no thought of departing in the future from this principle, which at once excludes any prejudicial or disadvantageous commercial treatment of the citizens of the United States of America, so long as it is not forced to do so, on account of considerations of reciprocity, by a divergence from it by other governments. If, therefore, the other Powers interested in the industrial development of the Chinese Empire, are willing to recognize the same principles, this can only be desired by the Imperial Government, which in this case, upon being requested, will gladly be ready to participate with the United

States of America and the other powers in an agreement made upon these lines, by which the same rights are reciprocally secured.

Upon receiving this note, Mr. Hay notified the other powers that the United States considered adherence to the "open door" policy as definite and final. This was formally acceded to by France, Russia, Germany, Italy and Great Britain, and was later acceded to, in principle, by Japan.

There is already a disposition among well informed persons to give to John Hay the credit for rescuing and again placing on its feet the "open door" doctrine, after England had tentatively abandoned it. I was in China when Mr. Hay died, and I was then impressed with the tone of much press comment there, some of which even went so far as to say that but for the intervention of the illustrious American the "open door" doctrine would have perished. The foregoing brief state correspondence contains much of real significance. Why should Mr. Hay take such energetic action unless he thought the "open door" was seriously in danger? He was not given to meaningless effort. Why his anxiety to get the powers on record *in writing*? Can we assume that in his references to collection of duties in China, to port charges and railroad tariffs, and other such indirect but common means for commercial discrimination he was merely firing in the air? Or was he aiming at something specific? I will not here enter into those details, nor the matters which made the address of this note to Germany pertinent at the time. This agreement of the powers put for the moment a check on the "sphere of influence"

doctrine. The Anglo-German agreement was promptly permitted to fall into innocuous desuetude. A short time afterward Count von Bülow, in a speech in the Reichstag, practically repudiated it. Of what use was a sphere of influence unless it could be used to cut under commercial competition? With the right to do this challenged by a great power, and supported by the definite, if unwilling, assent of all the chiefly interested nations, a "sphere of influence" had no real utility. However, the phraseology of Count von Bülow's reply is interesting. Note the reference to Germany's "Chinese possessions," and the implied reservation of the *right* to discriminate against other commerce therein should the German Government be forced to do so by the action of other nations.

During this period England was engaged in a war in South Africa, and it seemed for a time that her Far Eastern policy would expire of inanition and uncertainty. She was not in a position to adopt an aggressive attitude, and it was clear that the forces working for dismemberment were getting the upper hand. England still leaned toward the "open door," but if it came to a general split-up she was exceedingly well provided for, with the best part of China as her recognized "sphere of influence," and with a strong power like Germany as a buffer between her Far Eastern frontier and Russia. In this dilemma, she tried to carry water on both shoulders, and contend for the "open door" while at the same time looking out for her interests if, perchance, the "sphere of influence"

doctrine should gain ascendancy. The "boxer" trouble, which came at this time, created a diversion. There was a great rush among the powers to send troops to China. Except the United States and Italy, they all sent many more soldiers than were needed to suppress the disorder, and many of them are still there. The events of the "boxer" war need not be reviewed. It had one significant demonstration. This was the readiness and military efficiency of Japan. England was quick to observe and act. Events were moving rapidly, events which she alone was powerless to check. So came about the first alliance between Great Britain and Japan. The "sphere of influence" doctrine temporarily dropped out of sight, and the "open door" was again hoisted to the peak.

Then came the war between Russia and Japan, to which England contributed her credit, and its result; and now comes the new alliance with Japan.

CHAPTER XIII

FOREIGN POLICIES IN CHINA

CONTINUED

The New Anglo-Japanese Alliance — Real Intent of this Instrument — The Turning Over of Korea to Japan — England's Reason for this Action — "Special Interests" of England and Japan in Eastern Asia — "Territorial rights" of England and Japan — The Japan-China Manchurian Agreement — Destruction of Chinese Autonomy in Manchuria.

If the late war failed, in the making of peace between Russia and Japan, to result in any decisive advance toward a solution of the Far Eastern question, it at least produced in the new alliance between Great Britain and Japan something which will have a tremendous effect upon the settlement.* The general intention and scope of the instrument is declared in the preamble, which follows:

"A—The consolidation and maintenance of general peace in the regions of eastern Asia and India.

"B—The preservation of the common interests of all the powers in China by insuring the independence and integrity of the Chinese Empire and

* The full text of the Anglo-Japanese alliance will be found in Appendix A.

the principle of equal opportunity for the commerce and industry of all nations in China.

“C—The maintenance of the territorial rights of the high contracting parties in the regions of eastern Asia and of India and the defence of their special interests in the said regions.”

Let us strip this preamble down a little to get at what it really means. The first clause is merely the usual thing, and quite meaningless. The second clause is an intelligible declaration for the open door, but its meaning would have been clearer had the characteristic bit of diplomatic humbug been omitted. Instead of its object being “the preservation of the common interests of all the powers in China,” it is, of course, the preservation in China and the far and middle East of the interests of Great Britain and Japan. The phrasing almost amounts to an impertinence, since none of the other powers have asked England and Japan to take care of their interests in that part of the world, and none of them would be at all disposed to admit greater competence on the part of these two powers to look after other national interests than is possessed by the other nations themselves. The third clause appears to be intentionally ambiguous. Its declared object is the maintenance of the “territorial rights” of Great Britain and Japan “in the regions of eastern Asia and of India and the defence of their *special* interests in the said regions.” The ambiguity lies in the doubt as to where the territorial rights which are to be defended lie. If Japan had any territorial rights in eastern Asia or India at the

time this alliance was signed it is not generally known. A most significant omission in the preamble is the failure to guarantee the independence of Korea, which was included in the first Anglo-Japanese alliance.

However, the third clause is the kernel of the nut, and probably holds all of sincerity and real purpose that the whole preamble contains. There is no humbug in this clause. It declares its object flatly to be purely selfish, and has, therefore, a ring of genuineness. It will endeavor to maintain the territorial rights of not all the nations interested, but of Great Britain and Japan. It will defend in the regions affected not the "common interests of all the powers," but the "special interests" of the contracting parties. Here is something the mind can lay hold of; and it only remains to determine what are the territorial rights and special interests of England and Japan in those regions to get fairly at the real intent of the treaty, and how it may affect the interests of other nations.

Fortunately, the terms of the treaty afford a reasonably clear view of its scope. While, in the wording of all the articles, there is an evident attempt to give an impression that the alliance is conceived in a defensive spirit, this impression vanishes upon close scrutiny. On the whole, it stands revealed as an offensive and defensive alliance, in the broadest meaning of these terms. This intent has been cloaked as far as phraseology could accomplish it. Article II provides that should either power be involved in war "in de-

fence of its territorial rights or special interests'' the other shall at once come to the assistance of its ally and wage war in common with it. It will be noticed that the word "defence" is used, but "special interests" may be made to stretch a long way.

Undoubtedly the most significant thing about the new alliance is the recognition on the part of England of Japan's paramountcy in Korea. This is a distinct advance over the former treaty, and is the price England pays for Japan's promised assistance in protecting British possessions in India. This is an interesting proposition and directly affects the interests in Korea of other nations. While Japan has completely usurped political authority in Korea, and fully intends to retain it, the kingdom is still presumptively independent. Other nations, particularly America, have large commercial and industrial interests there. It may be that some or all of these nations will prefer that Korea remain independent, fearing that under Japanese sovereignty their interests may suffer. Yet the kingdom has been coolly disposed of without a pretence of consulting their wishes. England has formally recognized the right of Japan to do practically as she pleases in Korea, and under the terms of the alliance will be bound to come to Japan's assistance should any other nation dispute Japan's ascendancy. There is no denying that, in so far as it affects Korea, the alliance hands it over to Japan and binds England to assist Japan in holding it. This looks very much like forcibly depriving other nations of their

rights there, and that their interests may be small or problematical does not affect the principle involved. And it should be remembered that this new treaty was signed August 12, 1905, or before the war between Russia and Japan was ended. The fact that this clause binds Japan to undertake no measures in Korea contrary to the "open door" principle is designed to deprive it of its sting, but it will be poor consolation to the other powers, with Japan's authority absolute, should they find their interests suffering.

Let us examine England's situation in respect to Korea. At one period of the country's history British trade was paramount in Korea, but within the last decade this condition has changed, until lately she has been losing ground. The greater part of British goods sold in Korea to-day first go to Japan, and are carried into Korea through the channels of Japanese commerce. So England, finding herself in a position to profit by Japanese friendship, and realizing that in direct competition with America and Germany she is steadily falling behind, has a good business reason for looking favorably upon a Japanese occupation of the Hermit Kingdom, and one which does not apply, in the same degree, to other nations. But even if turning Korea over to Japan should adversely affect British commerce there, England would still have an excellent reason for making the concession, and this lies in the added security given to her Indian frontier and other interests by the alliance. Something had to be done to make the alliance reciprocal, and British statesmen proba-

bly thought they could well afford to take chances in Korea under Japanese control to secure a positive gain elsewhere. That in making this deal the interests of other nations, in so far as they could be affected, might suffer by the change, could not have been expected to deter them. How the other powers will feel about this remains to be seen.

The prominence given in the preamble of the new alliance to a declaration in favor of the "open door" in China has led many to regard this doctrine as the fundamental principle upon which the alliance rests. This view is not without plausibility, but it is weakened by the tantamount reservation to themselves by the contracting parties of the safeguarding of the "common interests of all the powers," which implies the right to determine what those common interests are. It is profitless to twist phrases in an attempt to show that this is not the intention of this clause. Since any infringement of the interests of either England or Japan will call both nations to arms, the clause can work out in no other practical way; for I suppose no one thinks that England and Japan will permit other powers to decide when their, or to adopt the wording of the second clause, the "common interests" are threatened or violated. Under any such construction the alliance would have no utility to the contracting powers. The essence of the second clause of the preamble is that any other nation which may dissent from what England and Japan regard as best for the "common interests" in China will either have to submit to their decision or fight both of them combined. And however

“defensive” it may be in theory, such an alliance can easily become decidedly “offensive” when it comes to working out the details as tested by the course of events.

It seems clear, then, that the intent of the alliance is that England and Japan shall have the power, if not the right, to construe the “open door” doctrine in the light of their own needs and advantage. To say this is not necessarily to attack the good faith or intentions of these two powers. They have the right to make a treaty for such a purpose if they see fit, just as some of the other powers might make an alliance to counteract its influence. One of the questions which may be seen looming up is whether it will provoke such an opposing alliance. This depends, naturally, upon what construction the two powers eventually place on the term “common interests”; and the antecedents for that construction lie in a determination of their own *special interests*.

I have already indicated the reasons underlying England’s action in originally promulgating the “open door” doctrine. But her position in China has materially altered since then. She still occupies the first position commercially and industrially, but her Western competitors are gaining upon her so rapidly that already she sees her supremacy threatened. The former confidence that, with equal opportunity, British interests can more than hold their own has vanished. How this may affect England’s attitude toward the “open door” is evident. It is conceivable that in time the “open door” may be positively disadvan-

tageous to British interests in China. In fact, this presumption is not without probability. There are at present practical difficulties in the way of a complete abandonment of the "open door" by England other than the obligation entailed by diplomatic assurances; but any one who has studied the course of her advancement in the Orient can scarcely doubt that should it become a thorn in her side a means to evade it will be found. British policy is for British interests first, last, and all the time, which is true of most national policies. To have dropped the "open door" doctrine out of the new alliance with Japan, especially while at the same time giving her ally a free hand in Korea at the possible expense of other Western nations, would have been a diplomatic *faux pas* of the first magnitude, and might have been disastrous to the successful launching of the treaty, by provoking action designed to thwart it. And I have no doubt that the "open door" will be insistently talked about should a disposition to criticise the alliance grow in America. What I wish to point out is that it is by no means certain, or even probable, that the *special interests* of England in China will for long be best served by strict adherence to this policy. And even if England should desire to adhere to a modified "open door" doctrine, as a means of preventing the formation of a formidable opposition to the alliance, it is clear that her wishes must conform in a measure to those of her ally.

So, in reason, the *special interests* mentioned in the third clause of the preamble to the treaty must

be a mean between the interests of England and Japan. This brings us to a consideration of the *special interests* in China and Korea of Japan.

In behalf of Japan the alliance engages to defend her territorial rights and special interests in eastern Asia. Taking first the matter of territorial rights, let us see what these rights are. The fact that such rights are mentioned specifically in the treaty establishes their existence at least in the minds of the contracting parties, who mutually bind themselves to fight, if necessary, to preserve them. This treaty was signed, it appears, on August 12, 1905; so it cannot possibly be presumed to refer to anything which may have occurred since that date. What, then, were the territorial rights of Japan in eastern Asia on August 12, 1905? Port Arthur and the Kwangtung peninsula could not well have been meant, although then occupied by Japanese troops. But the war with Russia was then going on, and such an act on the part of England would have been directly hostile to Russia, since it bound her to help Japan defend the ground already won. Yet in attempting to get at the meaning, in so far as it refers to Japan, of this clause we are driven to assume that it must allude to territories on the continent then occupied by Japanese troops; for on the day the alliance was signed Japan did not possess on the continent of Asia, either by sovereignty or leasehold, a foot of territory. Then, to thus give it its obvious meaning, since otherwise it has no intelligible meaning at all, the territorial rights in Asia of Japan referred to in the treaty must be *Korea* and

FOREIGN POLICIES IN CHINA 199

that part of *Manchuria* then held by the Japanese armies.

Turning to the *special interests* in eastern Asia of Japan, it seems better to discuss first those within regions where she is disposed to claim territorial rights, since it is clear that such rights, if recognized, will place her on a better footing than other nations. It is true that she is engaged by oft-iterated declarations to evacuate Manchuria and restore the administration of that region to China. But the same assurances were given about the independence and integrity of Korea, and have now been almost openly thrown aside. And, in the abstract, I consider Japan's diplomatic utterances concerning her intended course in Manchuria to be worth just as much as her declarations regarding Korea have already proved to be, although circumstances may compel a different course in the two territories.

At Peking, on December 22, 1905, an agreement between Japan and China regarding the future of Manchuria was signed. The negotiations had been in progress for several months, but the utmost secrecy was observed by the commissioners, and very little information became public. And, while due announcement of final agreement was made, only brief reports as to the contents of the agreement have so far been given out, notwithstanding the intense interest in the terms throughout the world. It has been officially stated that the text of the treaty will not be made public until formal ratifications have been exchanged by the two governments. Just when ratifications will be

exchanged is a matter of conjecture, and it is possible that some time will pass before the terms are published in their entirety.

However, several matters determined by the new agreement have been announced. There are to be a number of new treaty ports in Manchuria. China transfers to Japan the Russian leasehold on the Kwangtung peninsula. This was anticipated, as in the peace treaty Russia transferred her interest in the lease to Japan. The Chinese commissioners are believed to have resisted the transfer, pointing out that a treaty is not a negotiable agreement, to be staked upon the result of a war with an outside power; but of course they were compelled to yield. In respect to the general trend of the agreement, it has been semi-officially announced that Japan's position in Manchuria is to be the same as that of Russia in the northern part, which bases its special privileges chiefly upon terms governing the construction and operation of the railroad. China agrees to the transfer by Russia to Japan of the southern end of the Manchurian railway, and grants Japan a concession to construct a railway between Liao-yang and the Yalu.

These terms, so far as they have been made public, are more remarkable for what they conceal than the light they throw upon the ultimate intentions of Japan. It is evident that only those of the terms that may be expected to be favorably received have been given out. Lacking complete information, it is not possible to discuss the agreement intelligently. Doubtless, when it is pub-

lished, it will receive the scrutiny its importance deserves, and any disposition of the contracting nations to indefinitely withhold it will constitute a reason for legitimate suspicion that its contents will not be satisfactory to other interested powers. So far as is known, the new treaty contains no reference to the mooted question of whether Japan will demand an indemnity from China for restoring Manchuria to her, and in lieu of payment continue to occupy that part of the country now held by Japanese troops. It may be that Japanese statesmen came to recognize, in view of the sufferings and irreparable losses of the Chinese in Manchuria during the war, the sardonic irony of this proposition; but it was at one time seriously discussed by the Japanese press, and even found supporters in the West.

In regard to the existing Japanese occupation of southern Manchuria, I do not hesitate to say that Japan has already gone farther in usurping Chinese administrative autonomy than ever Russia did. For years to come, no matter if serious "roor-backs" prove to be absent from the new treaty, Manchuria will be a danger spot. Should Japan and Russia, through the inability of other powers, singly or in combination, to decide upon a method of keeping them to the fulfilment of their promises, be permitted to firmly establish themselves in Manchuria, the disintegration of China will become a practical certainty.

CHAPTER XIV

FOREIGN POLICIES IN CHINA

CONCLUDED

The Russo-Japanese Peace Treaty — The Agreement Respecting Manchuria — Analysis of These Clauses — The Matter of "Railway Guards" — China's Unavailing Protests — Period of Evacuation — A New Military Frontier — Japan's Occupation of Port Arthur — Revival of the "Sphere of Influence" Doctrine — The German, Russian and French Policies — The German-Russian Entente — Coincidence Between the Designs of Japan and Russia — England's Equivocal Position.

IN attempting to determine the future of that important part of the Chinese Empire, it is well to keep in mind just what Russia and Japan, in making peace, agreed to do in Manchuria. Article III of the peace treaty follows:*

First—To evacuate completely and simultaneously Manchuria, except the territory affected by the lease of the Liaotung peninsula, in accordance with the provisions of additional article one annexed to this treaty, and

Second—To restore entirely and completely to the exclusive administration of China all the portions of Manchuria now in occupation or under the control of Russian or Japanese troops, with the exception of the territory above mentioned.

Russia further declares that she will not in the future claim in Manchuria any territorial advan-

* The full text of the treaty will be found in Appendix B.

tages or preferential or exclusive concessions, but Japan makes no such declaration, which is significant in view of the fact that it was considered wise to put Russia on record. Why, in a mutual agreement as to the future of Manchuria, did Russia alone renounce exclusive rights and privileges? The supplementary article referred to deals with the details of the military evacuation and future policing of the property interests of each. Eighteen months is fixed as the maximum time within which Japan and Russia must withdraw their military forces, except railway guards to the number of fifteen per kilometer of line. It is stipulated that the removal of troops should begin as soon as the treaty was ratified.

Plain as these clauses seem to be in assuring, should they be carried out in good faith, the restoration of Manchuria to China, some loopholes for equivocation may be noticed by one familiar with conditions in the country. In describing the territory covered by the Russian leasehold the term "Liaotung peninsula," is used, instead of "Kwangtung peninsula," which correctly describes the locality affected. But the chief reason for uneasiness rests in the limit placed upon the final consummation of the military evacuation, and the declaration of an intention on the part of both powers to indefinitely keep troops in the territory under the name of railway guards. On the part of Russia, she merely once more obligates herself, for about the fourth time I believe, to take her troops out of Manchuria except those necessary for policing the railway. The only difference

between this and former promises of like nature is in the limitation of the number of "guards." At fifteen men to a kilometer, the two powers reserve to themselves the right to keep in Manchuria from 30,000 to 35,000 soldiers indefinitely, or permanently as may be.

It is interesting and suggestive to recall here that at the time the peace conference was held China expressed a desire to be represented in so far as the negotiations affected her territory, and that she was promptly repulsed by Japan, the victorious belligerent. And since the peace treaty has been published China has ventured a feeble protest against certain of its terms regarding Manchuria. She has pointed out that eighteen months is a longer time than is needed to get the two armies away from Manchuria, that there is nothing in the state of the country to warrant so large a railway guard, and that while the contracting powers obligate themselves to restore the administration of Manchuria to China, no date for this promised restoration is fixed. In all these contentions she is clearly right, but no one expects that she will be attended to. Russia and Japan have, in so far as they have noticed China's protests, let it be known that it is for them to decide these matters, and the tone of these statements conveys the impression that China is, or will be, lucky in getting Manchuria back under any terms. I cannot resist the desire to call attention to the wording of the second clause above quoted, in which Japan and Russia agree to *restore* to the administration of China the whole of Manchuria.

Since we all know, through repeated diplomatic asseverations of both powers, that Chinese administrative autonomy in Manchuria has never been interfered with, this clause somewhat illuminates the unreliability of diplomatic assurances. What concerns the world now is how the situation resulting from the peace terms is going to work out.

Their most striking immediate effect is the establishment in Manchuria of a military frontier between Russia and Japan. This is now generally regarded as a temporary condition, soon to be done away with by the removal of the two great armies now assembled. These armies will probably be moved, it is true. Financial considerations, if other reasons were lacking, will probably compel the return of the larger part of the vast Japanese army to Japan as soon as circumstances will permit. But the ultimate withdrawal to the limit fixed is dependable upon certain possibilities. Russia has agreed to evacuate Manchuria, and there is a probability that she will at last do so, since to fail would be to invite a resumption of hostilities. But the terms do not obligate her to take her army back to Russia. In fact, to do so quickly would seem to entail a danger, owing to the state of Russia and the existence of revolutionary sentiments among the troops, and difficulties about transportation can always provide excuses for delay. So it is highly probable that much of the Russian army will for the time be withdrawn only to Russian soil, at places adjacent to the borders of Manchuria and Mongolia. It is reasonably certain that Japan will not consider it

prudent to reduce her forces to a total below those of Russia; so the rate of withdrawal of troops from that part of the world will be the rate established by Russia.

Without entering further into details, it is probable that the military evacuation of Manchuria will take several years. Assuming, however, that this period is successfully got over without serious friction, under the peace terms the two powers are entitled to keep inside the borders of Manchurian railway guards aggregating some thirty thousand men, which, under the agreed division of the railroads, will be about equally divided between them. In other words, Japan and Russia are each to be permitted to keep about fifteen thousand troops in Manchuria, even after the transitory period is passed, and the administration of the country has been *restored* to China. Nothing is said in the treaty as to how these troops are to be distributed, or how they are to be employed. Naturally, they will be kept where they are more apt to be needed, and that means near the borders of the line of delineation between Russia and Japan. Where this line is to be is already tentatively established by that part of the peace treaty by which Russia cedes her railways south of a certain point to Japan. Apparently the point of contact on the railway is to be at or near Chang-tu, where it crosses the old palisade, or barrier. This is about where the front was at the time hostilities terminated, and it is reasonable to expect that the new frontier will extend east and west along the line of the then existing military

front, although this may later be more accurately determined by explicit agreement between Russia and Japan. Vast fortifications already extend along this frontier, which could be easily made permanent. Here, in the immediate future, at any rate, Japan and Russia will continue to watch each other just as distrustfully and carefully as nations in Europe do under similar circumstances.

In the light of the uses to which so-called railway guards have been put of late years in various parts of the Orient, particularly in Manchuria, it requires an incorruptible optimism to see in these conditions any great promise for the genuine restoration of Chinese administration in Manchuria. No doubt for some years to come all the old and well-worn subterfuges will be kept up. China is not deceived. This is getting to be an old story with her, and her protest that she is willing to maintain order in Manchuria and protect the railroad contains a note of pathos. The fact is that, notwithstanding pretences to the contrary, she now has both the power and disposition to govern her formerly turbulent provinces, but the chances of her being permitted to do so are slight if they depend solely upon the assurances of Japan and Russia; which in my opinion are worth collectively just what they are worth separately, and we have only to go to the very recent course of events in Korea and Manchuria to compare promises to fulfilment in the case of both nations. Before the war Russia's "railway guards" in Manchuria were the *bête noire* of other chancelleries, and many were the epithets levelled at them; but now

they seem suddenly to have acquired international respectability. Russia's reason for having such "guards" in Manchuria is the same as it always was, no doubt. What, now, are Japan's reasons for copying Russian methods, to which she formerly objected?

This is worth probing a little, for it also illuminates the purpose behind Japan's determination to seize and retain Port Arthur. Had Japan no other interest in the future of Korea and China than a commercial and industrial opportunity there equal to those enjoyed by other nations, why should she want a military and naval base in north China? The answer is that she needs one to protect her "territorial rights" and "special interests." She is undoubtedly preparing for the time when she may have to defend her position in Manchuria. Port Arthur is not needed to enable Japan to defend Korea so long as it is not under the control of an adversary. But Port Arthur is essential to the defence of Manchuria by Japan. It secures the sea terminus of the railway and overlooks the mouth of the Yalu, which will soon be connected by rail with central Manchuria. There is much significance in the well-understood intention of the Japanese Government to fight to absolute exhaustion rather than to permit Port Arthur to be again wrested from her.

A brief reference, in passing, to the "common interests" of Japan in China, in contradistinction to her "special interests" in eastern Asia, so sharply outlined in the preamble to the alliance

with England, serves to emphasize the meaning of the two terms. Japan's "common interests" are the same as those of, for example, the United States; and will amount to whatever of commercial and industrial development the enterprise of her subjects, supported by the political and financial energy of their government, can wring from conditions within the empire. No other nation has a moral right to object to any progress of this nature Japan may be able to make, provided the gain is not made at the expense of, or does not grow out of invidious detriment to that other nation's legitimate interests. But evidence that forces of invidious detriment, set in motion and stimulated by Japan, are already at work against some Western interests in China and Manchuria has been multiplying within the last few months, and they may be expected to gain force as time passes unless promptly checked. I know of an instance which occurred very recently, wherein the principle of a Japanese "sphere of influence" in Fukien, Chekiang, and Kiangsi was diplomatically invoked at Peking to obstruct an important American business enterprise in those provinces. In fact, a conclusion forced upon one by a study of the Anglo-Japanese alliance is that, while declaring for the "open door," its most significant immediate effect is the conversion of a hitherto nebulous position of Japan in Korea and Manchuria into a *de facto* condition of territorial appropriation supported, in effect, by the military and naval forces of England. In other words, the "sphere of influence" doctrine, to give a mod-

erate interpretation to the present situation, has been revived in a more concrete form than it ever had before.

A consideration of the "sphere of influence" doctrine and its possible effects upon Far Eastern politics leads, naturally, to examination of the policies of the powers which have in the past seemed to favor it. Prominent among them is Germany. Of all the foreign powers which have or claim interests in China, the course of Germany has been in some respects the most remarkable. Less versed in such methods than some of her competitors, she has cut her path with such broad strokes that a novice can follow it in all its main turns. It is doubtful if contemporaneous history affords a parallel, in sheer unprincipled rapacity, to her seizure of Kiao-chou Bay. She did not go to the trouble to stalk her prey through the usual processes of evasive diplomacy, but sprang abruptly upon it without warning and established possession by pure audacity almost before other powers realized what was happening. Nor, her so-called lease once secured, did she hesitate to go forward along the same lines. What was possibly a misstep, in respect to some matter of mining machinery which she proposed to compel the Chinese in Shan-tung to purchase from German rather than American bidders, aroused Mr. Hay and brought about the Hay agreement respecting the principle of the "open door." But, although compelled by circumstances outwardly to lower the colors of the "sphere of influence" doctrine, she never swerved from her purpose, which was

undoubtedly shaped in expectation of, if not in deliberate effort to bring about the dismemberment of China. The "boxer" troubles gave her a new opportunity. North China will not soon forget the punitive expeditions undertaken by the Kaiser's picked regiments. In the readjustment of interests which followed the "boxer" war, or rather in the ensuing haste of most of the powers to grab what they could while unsettled conditions lasted, the German-Russian *entente* had its origin.

This *entente*, denied by both Russia and Germany in the days of its influence and now reduced by recent events to temporary inanition, had undoubtedly at one time a tangible existence. Its traces may be found in all the windings of Far Eastern diplomacy in the years between the "boxer" trouble and the war between Russia and Japan, but I will not attempt to follow their intricacies here. Its fundamental basis rested upon a mutual understanding as to the division between the two powers of that part of the Chinese empire lying north of the Yiang-tse valley, and which geographically would translate into something like what I have previously outlined. During this period German diplomacy at Peking was characterized by an unparalleled aggressiveness and insolence. The unfortunate death of the German minister just prior to the "boxer" outbreak, now generally considered to have been largely the result of his own imprudence, to give his conduct a mild name, was made the excuse for numerous exactions to which the humbled and

helpless Chinese Government was compelled to submit.

Meanwhile, as a corollary to political and military energy, and calculated to give some apparently adequate foundation for both, extraordinary measures to advance German "interests" in China were inaugurated. A minute elucidation of the details of this attempt to "create interests to protect," which I have gathered in the course of two visits to the Shan-tung province since the German occupation, and elsewhere throughout the empire, would be very interesting and illuminative of what is getting to be a common method of indirect political aggression upon weaker nations; but an indication or two must suffice.

One cannot fail to be impressed with the material demonstrations of German "interests" in China. At Tsing-tau she has built a modern city scarcely inferior to the one Russia constructed at Dalny; and so close is the relation between German and Russian method in the Far East that there is little doubt that the one is the replica, in political purpose, of the other. From Tsing-tau has been built a railway which already penetrates beyond the heart of the province, and will soon be connected with the Peking-Hankow road, and by a branch to the north will reach Tien-tsin. German subsidized steamships ply along the China coast and on the Yiang-tse, creating by a clever method of port registration a most exaggerated impression of the extent of German shipping interests. At every important treaty port within the empire impressive and commodious consulates have been

or are being built, while an elaborate commercial bureau, fully supplied with clerical aid, supplements the ordinary consular work. At Shanghai a magnificent post-office has been built to handle a comparatively small amount of German mail matter, while the Kaiser is said to have provided from his personal funds part of the money to build the splendid Concordia Club now being erected on the Shanghai bund, and which, with a small membership to support it, will eclipse any similar building in the Orient. A press news service and a number of publications are maintained, and no means neglected to supply obvious indication of great and varied German "interests" throughout the Far East. It is true that close scrutiny of these "interests" will reveal that they are to a great extent fictitious, and really exist upon government subsidies; which conveys definite assurance that, in their present state, they were instituted and are maintained for political rather than commercial purposes.

And here we touch the heart of the matter. Are we to assume that a power like Germany, after ten years of energetic striving and great expenditure of life and money, will see her prospects blighted and abandon her purpose without an effort to protect them? Whatever may be the possibilities of German commercial and industrial interests in the Far East under the "open door," the opinion in Berlin seems to be that they will ultimately be better promoted by predominance in a certain "sphere" than by equal opportunity throughout the whole of China. At any rate

there is no doubt that Germany's policy has up to now been shaped on this theory, be it mistaken or not.

While there is no sound reason to warrant the belief that there has been a sincere alteration in the policy of Germany, there is no doubt that it has undergone an outward change within the last few months, or since it became certain that Japan was to be victorious in the struggle with Russia. I have it direct from a member of the Wai-wu-pu that, beginning soon after the battle of the Japan Sea, German diplomatic method at Peking underwent a transition which amounted to revolution. At that time Germany was pressing upon China a number of minor, though not unimportant, concessions in Shan-tung, which, if granted, would have almost certainly caused dissatisfaction to other powers, as well as being a relinquishment of Chinese autonomy. The Wai-wu-pu was resisting this pressure as well as it could, but might have been compelled to yield in the end had not the now famous naval battle demolished Russia's chances. The German change of front was so sudden as to be almost ludicrous; in fact, the Chinese official who gave me the details did laugh exceedingly in their narration. He had the wit to see the humor of the situation, while at the same time in his heart deploring the state of affairs which made China the shuttlecock of fate. But, while outwardly acquiescing in the existing *status quo*, until she is able to determine upon what shall be the next move, Germany undoubtedly regards the Anglo-Japanese alliance with suspicion and alarm, and

only bides her time until conditions make the formulation of an opposition policy feasible.

The other great powers who may be presumed from the logic of their situation to favor the "sphere of influence" doctrine are, of course, Russia and France. France is not active in the advancement of any special policy, but her inclination will be to support Russia under ordinary circumstances, in order to prevent Russia from flying to the arms of Germany. However, she will probably not take a decided stand either way, having at stake neither so much to win or lose as to warrant it.

With Russia it is different. Although defeated, and for the time distracted by internal problems, she is certain to emerge from these temporary disabilities and resume her position among the powers. While, owing to her defeat at the hands of Japan, her prestige in the Orient must temporarily suffer, her position on the borders of China will always make her felt at Peking, and she can never be left out of any reasonable estimation of political probabilities in connection with the Far Eastern question. The fact that Russia still occupies four-fifths of Manchuria should not be forgotten; and her position in Mongolia is unshaken. In a few years she will have her present Siberian Railway double-tracked, and the new line via Tashkent and Kokand finished, which will vastly increase her military potency in Asia. Besides, it is idle to assume that she will abandon what is to her a permanent purpose, and her still great material interests on the Pacific. That

England and Japan fully recognize this is indicated by their alliance. Why, unless she still fears Russia, does England apparently sacrifice desires in other directions to assure the assistance of Japan should the Indian frontier be attacked? There is a logical foundation for the belief, entertained by some statesmen in Europe, that England was practically forced into the present alliance to prevent Japan from reaching a reciprocal agreement with Russia. And does not this assumption imply the existence of a certain harmony between the designs and intentions of Russia and Japan in eastern Asia, or, to speak more exactly, a disposition to compromise in advance a possible future collision?

This leads, inevitably, when the whole situation is considered, to the question: Has England sacrificed the "open door," with its now doubtful advantages to her, to the more certain and definite benefit of the security of her Indian frontier and her "sphere of influence" in China?

CHAPTER XV

THE NEW CHINA

The Awakening of China — Forces Within the Empire — External Elements — The Balance of Power — Foreign Commercial Exploitation — Relation of Diplomacy to Commercial and Industrial Enterprises — Foreign Concessions — Growth and Development of Railways in China — Conquest by Railway — Russia's Daring Scheme — The American Railway Concession — The Belgian Stalking Horse — Beneficial Forces — The Imperial Railways of North China — Influence of General Foreign Commerce — Great Opportunities.

THE evolution of any part of the human race, however obscure or humble, must always be an interesting spectacle. When such evolution embraces one-third of the total population of the earth and involves the transformation of a complex and effete civilization into one in which modern material progress, with its creation of new wants and the means to satisfy them, is the predominating force, it becomes also very significant.

Such is the spectacle now presented in China. The Western world has waited so long for China to rouse from her sleep of centuries that an impression has obtained that she would never awake. It is not surprising, then, that there should be a disposition to overlook the psychological moment

(if under such circumstances it may ever be accurately determined) when the decisive change takes place. Yet I venture to suggest that, aided by the perspective of time, the future historian will fix this turning point for China somewhere among the years from 1900 to 1906. It is perhaps too much to say that China is already fully awake, but it is certain that she has opened her eyes and is taking notice of what is going on in the world about her.

In attempting, with the hope of in a measure determining the course upon which this vast and unwieldy ship of state is setting, to analyze the forces now struggling for mastery, it becomes necessary to examine them somewhat in detail. These forces may be roughly classified as external and internal; the external forces being those exerted through foreign influence, and the internal forces those inherent and susceptible of development in China herself. Since the external forces are immediately responsible for the existing transformation, and certain to be very influential in shaping its course, they may well be considered first.

It is not necessary, in this connection, to trace the course of foreign influence in China, from the advent of the first European along through the sometime disturbing episodes which have attended over zealous missionary labors and more or less grasping commercial exploitation. While the effect of these conditions has been subtle and far-reaching, external political pressure is the direct power that is forcing China into the path of modern progress; although its more obvious manifes-

tations are along commercial and industrial lines. This pressure, in its present form, is a development of the last decade, or since the demonstration of China's inability to defend herself. So persistent and determined has it been that it must have by this time accomplished the partition of the empire and its division into sections, each the scene of a system of special exploitation, had it not created, by calling into play the usual international jealousies, its own check in what is generally called a "balance of power." Thus while China has as yet managed to preserve a sort of national equilibrium, she has not been able to escape the influences which have been planted deeply and ineradicably in the social and political life of the empire, and which are certain to bear revolutionary fruit. To get at the effect of these external influences, and the probable results upon the future of the Far East, it is necessary to scrutinize some of the principal elements and the methods employed to introduce and advance them.

Americans, while they have not scrupled to make free use of governmental assistance in manipulating their internal commercial and industrial affairs, are not accustomed to consider political forces in connection with the struggle for foreign trade. In the competition with subjects of other nations in the marts of the world they are disposed to regard it more as a matter between private enterprises than an international affair. And even where American business concerns have felt the pinch of political pressure, their efforts to secure like backing from their

government have not, as a rule, received much attention. Consequently, notwithstanding that appreciation of this question is growing with the expansion of America's foreign trade and the recognition of its importance to her internal industrial situation, it is difficult for the average American to realize the extent to which the diplomacy of other nations carries its efforts to advance the private interests of their nationals. In no part of the world has this method been carried to such extremes as in the Far East. There it is the habit of diplomacy not only to assiduously urge the interests of its own nationals, but to resort to every device known to the profession to retard and defeat the similar efforts of other legations. There an apparently innocent and legitimate business proposition may be, and frequently is a political design in disguise, while a mild and seemingly inoffensive diplomatic note or treaty may contain the genesis of some far-reaching scheme of commercial exploitation. In the Far East diplomacy stalks its political prey under cover of commercial and industrial enterprise, while commerce and industry strike at competition through open or surreptitious diplomatic wire-pulling. So closely are the two interwoven that it is often very difficult to distinguish one from the other, if indeed they are ever entirely separated.

Foreign enterprises in China, as well as in most Far Eastern countries, are conducted under the terms of what are called "concessions," which are practically analogous to public franchises in

America. Owing to the peculiar relations between the provincial and imperial administrations in China, the securing of a concession is almost invariably a difficult and complex matter, even when foreign diplomatic opposition is not encountered. The necessity of gaining the support or passive assent of a long line of provincial and petty local officials as well as that of the Imperial Government at Peking, creates innumerable places where antagonistic diplomacy may lurk in ambush to assassinate a project. As a consequence, it has become almost impossible to secure any important concession without gaining for it the passive support of other foreign legations in Peking by a reciprocal arrangement of some kind. For instance, when Russia, Germany and France were respectively endeavoring to carry through at Peking the concessions for the Manchurian, Shantung and Peking-Hankow railways, they only succeeded by diplomatically pooling their issues. Neither would permit the others to progress unless it, too, got what was wanted. Americans are familiar enough with this process at home; but American interests in the Far East have usually been compelled to make such headway as they could without much diplomatic assistance, even while encountering at every hand the hostile machinations of rival projects supported by all the influence their respective governments can exert.

Of the foreign concessions which have been made to cover and advance far-reaching political designs in China, and have at the same time ex-

erted a tremendous and permanent influence upon the social, industrial and political life of the nation, the railways undoubtedly take first rank; and an examination of the origin and growth of railway construction will serve to illustrate the method and results of the system. It is probable that the first railways planned for China were conceived as purely commercial projects, as the art of conquest by railroads had not then reached its later stage of development. And the earlier opposition which was encountered sprang principally from the forces of inherited conservatism. But it is now clear that, at least so far as popular feeling is concerned, the character and extent of such opposition was greatly exaggerated; and was largely the result of, if not entirely created by the anti-foreign propaganda stimulated by reactionary official classes. At any rate, even under the generally adverse conditions which have prevailed, manifestations of popular hostility to railroads have almost entirely disappeared, and such opposition to railroad construction as still remains in China springs from an entirely different source and is the outgrowth of recent developments. In fact, present opposition is entirely political, and any analysis of it must of necessity touch the mainsprings of the evolution which is creating the new China.

In attempting, by elimination of the trivial and non-essential, to get at the determining forces which developed the prevailing system of conquest by railway in the Far East, one is inevitably drawn to the time when the trans-Siberian rail-

way began to press for an outlet through Manchuria. By what schemes, promises, threats and bribes this concession was secured by Russia will probably never be fully known. It marked the beginning of the struggle for railway "concessions" in the Far East. European chancelleries at once saw the true significance of the project, and promptly acted upon the hint. English, German, French and Belgian concessions were energetically urged upon the Chinese Government, and even an American concession entered the field. To follow the diplomatic intricacies involved in the introduction and urging of these various projects, extremely interesting as it might be, is not necessary here. The Chinese Government, awakened by this time to a partial realization of the true import of some of the demands, exerted all the art of its devious diplomacy to retard and avert them. Under the circumstances, it had only one effective means of obstruction—to play the various powers against each other. This it did for a time with considerable success. But the pressure was too strong to be long resisted by a belligerently impotent nation. However, since they found themselves powerless to stave off the inevitable, Chinese statesmen displayed remarkable ingenuity in preserving among the foreign powers a balance of interest calculated to maintain the political equilibrium of the Chinese Empire. It was not until Russia, feeling the need of an outlet to Port Arthur after she had secured a lease of that port, and desiring to extend her railroad south from Harbin, was compelled to make

common cause at Peking with Germany and France, that the Peking-Hankow, Shan-tung and Manchurian concessions were secured. Nor was this done without some diplomatic side-stepping, which injected Belgium as a joint mover with France in the Peking-Hankow project. The introduction of Belgium was a clever move, designed to allay the growing apprehension of China. It was pointed out that Belgium was not a military power and, consequently, could not be assumed to have aggressive political aspirations in China. Some of these concessions, too, took the form of a contract to build and operate the railways under an agreement by which China could in time purchase them and take over control. This showed that China was becoming wary. And in this spirit, undoubtedly, the American concession was conceived and took root.

The history of the so-called American railway concession in China is so varied in its ramifications and phases, and touches so closely, from time to time, most of the powerful interests struggling for supremacy in the Far East, that it may be taken as an example to illustrate the purposes and methods brought to bear in shaping the course of events. This concession originated with an American of considerable experience with political and commercial conditions in China, who saw in the struggle of Chinese statesmen to maintain a balance of foreign interests within the empire an opportunity for American enterprise. Just how the matter was first broached is not material, but it was immediately encouraged by certain high

Chinese officials, who at once discerned in it a convenient check upon demands in other directions. After a number of consultations it was decided that a petition for a concession to build a railway from Canton to Hankow be asked in behalf of an American corporation. Under any other circumstances it is probable that this concession would have been stubbornly opposed on general principles by influential Chinese officials at Peking and throughout the empire, as well as by other foreign interests desiring a similar grant; but coming when it did it was almost welcome to the Peking authorities as an offset to pressing demands in other quarters, while any competitive opposition it might have ordinarily encountered was practically estopped by the fear of raising new antagonism to other desires. So, after various vicissitudes and considerable delay, an agreement giving an American corporation the right to build and operate a railway between Canton and Hankow was signed in 1898.

To enter exhaustively into the history of this concession would be deeply illustrative of certain methods of so-called high finance, which are being just now persistently thrust upon public attention, and which may be passed over in the search for broader issues. I am inclined to think that it was originally conceived and promoted as a legitimate business enterprise. But as time passed it was destined to assume many shapes. The original promoters, after they had secured their concession, failed to raise the money to go ahead with it. Enough money was raised to

keep up, for a time, a pretence of going on with the work. A survey was made, and other preliminary work undertaken. However, the company conducted its affairs in a way to arouse the distrust of the Chinese Government, which had a right to exercise a supervisory authority under the terms of the agreement. Things came to a standstill, and something had to be done. The concession was too valuable, in more ways than one, to be permitted to collapse. Various plans for a reorganization were proposed, and while they were under consideration a new element was injected into the situation.

This new element was nothing less than the Russian Government, operating through the newly created Russo-Chinese bank and its allied institutions in Europe. By this time the concession for the Peking-Hankow railroad had been granted to a syndicate nominally composed jointly of French and Belgian capitalists. It is now known, however, that there was a private understanding that the project was to be financed by the Russo-Chinese bank, and not by the Bank of Indo-China, which would have naturally undertaken to manage a French and Belgian enterprise in China. About this time it became known that the Canton-Hankow scheme, usually spoken of as the "American concession," was in financial difficulties. In fact, the situation was so bad at one time that one of the original promoters, who was cognizant of certain political designs in the Far East and knew the value of the Canton-Hankow concession in furthering them, went directly to Count Cassini

and opened negotiations with a view to turning over the concession to Russia. Circumstances happened to be such that these negotiations were for the time dropped, but the scheme was taken up later in another and more subtle form.

By this time the Chinese Government had awakened to a full realization of what Russian railroads in Manchuria meant, and was determined to prevent, if possible, their further extension. This had been one of the chief reasons for granting the Peking-Hankow franchise to a Franco-Belgian syndicate, and the Hankow-Canton road to the American corporation. Now China discovered that the Peking-Hankow project was really backed by Russia, and while this was strenuously denied by all the interested parties, the suspicion was too well founded to be easily eradicated. And there is little doubt that Russia then entertained the idea of controlling, in connection with her other Asiatic railways, the whole of the great trunk line which will, when completed, cut China through the middle, north and south. Hampered by the too well-grounded suspicions of China, and the jealous hostility of other powers, Russia could not go openly after the Hankow-Canton concession held by the American company. But a little difficulty like this would not stop Russia if she considered the object to be gained worth while; so she set about reaching her goal indirectly. There is evidence that the probability of the concession falling into the hands of Russia did not escape the notice of British interests in China, and an effort was made to secure for the project

financial backing in London, with at one time a good prospect for success. But England's attention was then chiefly occupied in South Africa, and this deal eventually fell through.

So it came about that in 1900 the American company owning the concession was reorganized. Under this reorganization the controlling interest was held by a Belgian syndicate, of which King Leopold was the nominal head. The stock necessary to control the company had been quietly purchased in New York by agents of the Belgian syndicate, one of whom was elected president of the reorganized concern. While this transaction was conducted as quietly as possible, it was too important to escape the notice of persons directly interested. It created a feeling little short of consternation in Peking, Chinese diplomats suspecting at once the hand of Russia. And I may say that the circumstantial evidence to support this view is very strong. Every effort was made to preserve the legal status of the American corporation. Most of the important offices were held by Americans, many of whom retained a small interest in the company. Three million dollars were provided to carry on the work, and this was eventually expended after a fashion. At that time there was nothing to positively show that the reorganization transaction was not *bona fide*. But the later history of the concession strongly bears out the view entertained by Chinese officials, that the Belgian syndicate which secured nominal control was only a stalking horse for Russia, which was the real agency behind the reorganization.

Chinese officials were alarmed, as they had good cause to be. In the north Russia had already made her railways the excuse to occupy Manchuria, while Germany was displaying a similar tendency in Shan-tung. And now came this spectre of a quasi-Russian road through the heart of the empire. It should be remembered that, in the then existing situation in China, this was a real, not an imaginary peril. So naturally Chinese officials, seeing the American concession about to be turned to exactly opposite uses than what they had desired or intended, began to seek opportunities to revoke or nullify it.

A reasonable excuse to do this was soon presented by the American company itself. Under a clause of the agreement which gave the Chinese Government the right, under certain terms and conditions, to purchase the road after it had been completed and put in operation, the government had reserved the privilege of inspecting and auditing the work and expenditure. The three million dollars raised when the Belgian syndicate took control was used in building some twenty-seven miles of road, with some additional grading work, and in completing the final surveys and estimates. To say that the results achieved were entirely out of proportion to the expense is to put the matter mildly. It is charity to pass by the details of this sample of American enterprise in China. At any rate, the Chinese objected to the accounts and the manner in which the work was being done; and they also objected to the transfer of the concession to the Belgian syndicate, claiming that it was a

vital part of the original agreement that only American capital should be employed, and that the road should not be transferred to any other nationality. While it is impracticable to enter here into the details of the original and supplementary agreements, it is certain that the Chinese Government had just grounds for many of its objections. It is unlikely, however, that it would have been able to enforce them had not the course of events prevented Russia from carrying out her daring project. The war with Japan shattered many well-laid plans of Russia in the Far East, and her scheme to control the railway system of China was among them. Of course, certain interests have always denied that Russia ever had any designs to secure the Canton-Hankow concession, but it is significant that no sooner was Russia compelled to concentrate her energies upon more pressing matters than the so-called Belgian syndicate collapsed, and the American concession was again in financial difficulties. Moreover, the Chinese Government was threatening to rescind the concession, and the American Government and Minister, disgusted at the course of events, had little inclination to urge further the interests of the company at Peking. For political reasons a majority of the stock was transferred back to American representatives of the Belgian syndicate, in order to give the impression that a controlling interest was again held in America. Later it was reported that a new American syndicate, composed of men of high standing in the financial world, had taken the franchise up and

would begin at once a *bona fide* construction of the road as a genuine American enterprise. But the patience of the Chinese had been exhausted, and it soon became evident that the project, in its original shape, could only proceed under a constant succession of difficulties. Consequently, some months ago the franchise was given up on the payment of something less than seven million dollars by the Chinese Government, for which sum it has received almost nothing. Thus ignominiously terminated the first important project ever launched under American auspices in China.

Enough has probably been said, coupled with the now general knowledge of the uses to which the Russian and German railways have been put, to demonstrate the peculiar significance to China of even the most innocent looking foreign commercial or industrial enterprise. Thanks to the history of the railway concession, even American projects are now regarded with suspicion and some distrust. But the law of compensation operates here as elsewhere, and out of all this beneficial forces are gathering strength. No matter what reason led to their introduction, or the uses to which they have been put, the railroads have come to China and are there to stay. I think it probable that during the next twenty years more miles of railway will be built in China than in any other part of the world; and while foreigners may assist in providing the capital to finance this tremendous industrial evolution, the prime movers will be the Chinese themselves, who will insist, as far as they are able, upon retaining substantial control. This

disposition supplied one of the forces which led to the reclaiming of the Canton-Hankow road, and it is safe to say that hereafter no important commercial or industrial concession will be willingly granted by the Chinese Government in which Chinese capitalists are not interested, or in which the government does not reserve the right to take it over under equitable conditions, especially if public utilities are involved. The chief reason is that the Chinese have discovered that railroads are convenient and valuable in the development of the country.

In bringing about this remarkable change in sentiment the Imperial Railways of North China has been largely responsible. Originally projected by an Anglo-Chinese corporation as a means of communication between the sea and some coal fields, this railway has been gradually extended until it has attained important dimensions, with plans for great extensions well under way. While it employs foreign administrators in a majority of the more important positions, the road is principally owned and operated by Chinese. But the main thing which impresses the Chinese is that the road is extremely profitable. This was the one thing needed to give an enormous impetus to railroad building in China, and it has now been conclusively established. Wealthy Chinese in all parts of the empire are now willing, even anxious to invest in railroads. In fact, a disposition to exclude foreigners from these enterprises is growing, and would probably be put into effect did not internal conditions at present

make the foreigners a practical necessity. One of these conditions is the absence of native institutions capable of financing undertakings of such magnitude. The financial system of the country is in a chaotic state, and while there is at present a feeble effort toward reform, no great progress need be expected for many years. But the more essential reason lies in the fact that as China is now governed there is no real legal security for the property of Chinese subjects, should it become the object of either the rapacity or enmity of high officials. Of course, a liberal application of bribes in the form of "squeeze" can usually command protection; but Chinese capitalists are coming to realize that the "squeeze" method is too elastic and uncertain to be satisfactory when applied to great interests, whose prosperity may depend upon the stability of their debentures in the financial markets of the world. So under existing conditions an enterprise composed almost exclusively of Chinese capitalists will organize as a foreign corporation for personal and business reasons, and in doing this it is wise and necessary to have the coöperation of foreigners. It will be some time yet before the new China will be able to dispense with the foreigner, with a strong probability that by the time she is able to eliminate him she will not desire to do so. This conjecture, of course, applies to development along natural lines as distinguished from one directly or indirectly the result of external political and military pressure.

Aside from railway, mining and other industrial

enterprises which have, by stepping outside the customary course of development of foreign commerce in China, created a peculiar relation of their own, there is the great volume of foreign trade which cannot be overlooked in any estimation of external influence. In respect to her general foreign commerce, China's position is now singular among the great nations. Foreigners can do business within the empire only at certain places, designated as "treaty ports," which are administered under what are termed "extra territorial rights." While these ports seem to be comparatively numerous, they are really very limited when the vast extent and population of the empire is considered. To-day in China a foreigner requires a passport to travel away from the treaty ports, and if he does so without one it is largely at his own risk. But even under these handicaps foreign trade has grown to enormous proportions, and considerable foreign populations have settled in many of the treaty ports. The material growth of the foreign concessions at Shanghai, Tien-tsin, Hankow and other places is really astonishing, even to one who has kept touch with the Far East in recent years, and they must be a revelation to Westerners seeing the East for the first time. The influence exerted by the planting of these modern cities permanently in China is tremendous, incalculable and ineradicable. From them radiate to the remotest parts of the empire commercial and industrial connections inseparable from the life of the people and indispensable to the future progress of the country.

And, fortunately, the character of the foreign population is steadily changing for the better. There was a time, not so very remote, when the China coast was the dumping ground for the derelicts of Europe and America; when even respectable foreigners residing in China were animated by the chief purpose of getting all they could out of the country regardless of the effect of their methods upon the natives. But the day has already come when such persons and methods will find their opportunities limited in China by the same forces that limit them elsewhere. The time has passed when unscrupulous agents can sell the Chinese Government defective rifles and cannon of one calibre and ammunition of another calibre for them; when worn-out machinery can be unloaded upon the Chinese as the latest and best, and when dwarf locomotives discarded by the New York elevated railroad can be used to equip a Chinese trunk line. This is all finished. The China of to-day has no more use for such things than has the United States of America. The European or American with a bunco game on a big scale might as well stay at home. His chance of working it will be fully as good there as it is in China; perhaps a little better. But to the young Westerner who knows how to do something useful and is willing to do it, to the business concern which has something valuable to offer upon reasonable terms, this wonderful country beckons and will reward.

CHAPTER XVI

THE NEW CHINA

CONTINUED

Quasi-foreign Forces Within the Empire—The Japanese Influence—Growth of the Native Press—Peculiar Conditions — Extra-territoriality — Growing Force of Publicity in China — Japanese Use of this Force — Anti-foreign Propaganda — Subtle Methods Employed — The Boycott of American Goods — Origin of the Movement — Misconceptions Regarding it — The Real Forces at Work — Footprints of the Agitation — Injury to Chinese Merchants — Methods of Intimidation—Progress of the Movement—A Warning to the West.

ONE is somewhat at a loss, in turning from external to internal forces in the transformation of China, in which class to place the Japanese influence. That this is a vital factor may not be doubted. Technically, in the sense of nationality, it must be considered an external element; but in its broader, more elementary aspects it already displays tendencies, at least to me, to become associated more with the internal forces at work within the Empire. Different as the two peoples are in many ways, they have and will retain characteristics which bring them in some respects nearer to each other in thought and incentive than either can approach any Western people. Personally,

the Chinese, as a rule, do not like the Japanese, and *vice versa*. But, aside from the control of what has been Chinese territory, and which provides a powerful political leverage, the foundations of Japanese influence are being too solidly and carefully laid to fail to accomplish some of the purposes for which they are designed.

Since it is evident that the Japanese can reach the Chinese in ways Western nations cannot, and by methods which Western nations cannot imitate in many of their phases, a study of some of these methods and purposes, in so far as they have progressed, may develop something of significance. In this it will be better to leave out of consideration that part of China where Japanese military control has established peculiar conditions, and confine myself to that greater part of the empire where the interests and influence of Japan may be still assumed, hypothetically, to be analogous to those of other powers.

The year 1905 provided a very significant demonstration of certain internal forces operating within the new China, which bear incidentally, even directly, upon some methods of the extension and use of Japanese influence. I refer to the so-called boycott of American goods. I was in China from the time this extraordinary movement first attracted serious attention until, after many ostentatious diplomatic burials, it reached the end of its political utility and was permitted to dribble out so far as direct stimulation is concerned; and I took more than ordinary pains to follow its gradual developments. This incident

attracted widespread attention, particularly in America, where, if its true origin and import is but imperfectly understood, it has served to call attention to a matter of considerable importance—the treatment of Chinese who attempt to visit the United States. But the so-called boycott had a more far-reaching significance than the issue raised by this question, and deserves a more careful elucidation than it has yet received.

An extremely interesting and important development of the last few years in China is the unusual growth and change in character of the native press. Until recently the native newspapers have been little more than official gazettes, controlled by the court and the official classes, and have exerted small influence upon the political life of the nation. Now this is entirely altered, and the manner of the change is significant. In connection with this condition Japan has given another striking exhibition of her adaptability by discovering and putting into operation a new and original extension of her press propaganda. This is nothing less than its application to the native press in China.

Peculiar conditions have made this comparatively easy. I have mentioned the “extra territorial rights” under which the foreign concessions of all treaty ports are governed. Translated into practical administration, this means that China has no legal jurisdiction over foreigners, and only partial jurisdiction over Chinese who reside within the limits of such treaty ports or concessions. So a vernacular newspaper, operating

under a foreign charter, may be published in any treaty port subject only to the laws of the foreign nation where the charter is secured. This means, for instance, that a Chinese newspaper printed in Shanghai by a British or Japanese corporation is subject only to the publicity laws of those respective countries; and it is not possible for the Chinese Government to apply a censorship. So such papers, which of course circulate only among the Chinese, are as free to express opinion and criticise the acts of the Chinese Government and officials as is the press of New York, although circumstances usually demand that this freedom be exercised with discretion. It is true that outside the foreign concessions the Chinese Government may exercise its authority to suppress the circulation of such papers, but attempts to do so have usually proven to be impracticable, resulting only in the punishment of a few coolies who sold the papers, while the publishers rested secure in extra territorial immunity. Thus we have a presumably despotic government which cannot control to any appreciable extent publicity within its domain, for treaty ports are scattered throughout the empire and new ones are being constantly created. It requires no argument to demonstrate to Americans the political and social possibilities involved in this situation. These newspapers are already a power, and are stirring latent forces among the people which have never before been touched.

I do not think I shall be accused of exaggeration when I say that control of this tremendous force of publicity, in its primal application to the

mental processes of one-third of the inhabitants of the earth, hitherto cut off from and indifferent to its influence, is of extraordinary importance to the future of the Far East and to the whole world. And when I say that there is positive evidence of the existence of a systematic and well-developed plan of Japan to control and manipulate this force, or at least a predominating section of it, it will be seen that I broach a matter of some significance. While in China recently I was presented by a person in close touch with the progress of events in the Far East with a list of twenty-six vernacular publications believed to be either directly or indirectly controlled in the Japanese interest. Not all of them are operating under Japanese charters, although the more important ones are. Several are printed in cities outside the extra territorial jurisdiction, which limits but by no means obviates their usefulness. While I have no means of accurately verifying this list, there is good reason to think it is substantially correct. It is likely that political considerations prevented a majority of these newspapers published in treaty ports from being chartered in Japan, for it could hardly be expected that rival interests would overlook such a coincidence, but the advantages of such charters to Japan are obvious. Take, for instance, a Chinese newspaper printed in the foreign settlement of Shanghai under a Japanese charter. This means that the publicity laws of Japan apply to its publication; ergo, the Japanese Government can exercise the same supervision over it as it does over news-

papers printed in Japan. This is, however, not an unmixed advantage. The methods adopted in controlling the policies of these newspapers are as varied, subtle and difficult to trace as are similar methods in England or America; and often the proof must depend upon mainly circumstantial evidence not apparent to laymen, but easily discerned by the trained journalistic eye. But let us see what these papers have been doing.

While this systematic effort to influence popular opinion in China, and through it governmental action, preceded the beginning of the war between Japan and Russia, it did not receive its real impetus until after the war had commenced. The issue was then drawn, the fight begun, the necessity urgent. Leaving out of consideration those questions which apply chiefly to the issues of the quarrel between Russia and Japan, which consisted largely of a reproduction of special arguments amply published throughout the world, we may rather devote attention to matters concerning Western nations in general. Early in 1905 there began to appear in certain Chinese vernacular papers articles which may without exaggeration be termed anti-foreign in trend. These articles were so cleverly handled that for some time they attracted little attention. Indeed, their anti-foreign animus was usually carefully stowed away in the body of an article just enough in its main expressions. Germany was generally made the direct target for such attacks for two reasons: Germany's conduct in China has been such as to make her very vulnerable; and her policy is ex-

tremely unpopular with some other foreign powers, a fact that not only tended to blind the Western press as to the fundamental import of the propaganda, but was calculated, in so far as outside attention was attracted, to induce wide reproduction of it.

To illustrate what I mean, let me recall an incident which occurred in 1905. This happened before the shift of Germany's diplomatic attitude at Peking. A Chinese official of some importance, while travelling on the German railway in Shan-tung, was insulted and subjected to indignities by a petty German railway employé. He complained to the central government at Peking, which made representations to the German Government. The situation at the time, coupled with the fact that such complaints were becoming very numerous in Shan-tung, where the Germans had been carrying things with a high hand, practically compelled the German Government to take the matter up; with the result that the railway employé was dismissed and an apology made to the insulted Chinese. Naturally so unusual an incident did not escape notice in China, and was widely commented upon in both the foreign and native press. In this connection my attention was called to the character of comment which appeared in vernacular newspapers edited in the Japanese interest, and I secured a number of translations. Their general tone was so identical as to leave little doubt that the same mind conceived them. To reproduce one in full would be interesting, but a brief résumé will suffice. The

details of the incident would be narrated in a, on the whole, fairly correct manner, although the critical mind could easily note an artful emphasis upon those passages dealing with the severe treatment of the Chinese official. The article would then proceed to draw certain inferences from the incident, pointing out the growing tendency to aggression of foreigners in China, and their habitual indifference to the rights of the Chinese in their own country, with a reference to and warning of what might be expected to happen in the future, unless the spirit of foreign aggression was checked. But the kernel would be cleverly ensconced in the concluding paragraphs, which would contain some incidental references to the unselfish efforts of Japan to free China from the foreign yoke, and the disposition of the Japanese to aid her in freeing herself. This cracker on the whip would be so cleverly appended as to be almost invisible to the casual foreign reader; but would nevertheless, and was obviously designed so to do, leave the impression in the mind of the Chinese reader that China must look to Japan for relief from such oppressions. It should probably be stated, in this connection, that I have information of the recent establishment of three Chinese newspapers in the Russian interest, two in the German and one in the French; presumably with the design of counter-balancing the Japanese propaganda. Several have long been indirectly edited in the British interest.

This subtle and insidious revival of the anti-foreign agitation had progressed for some time

before the boycott of American goods cropped up. However, it had not escaped notice. Several of the more conservative British journals published in China had entered mild protests against the tenor of some articles which appeared in the native press, and cautioned moderation, in language which clearly showed the existence of a suspicion as to the real influence at work. Germany and Russia were the chief targets for the attacks where some specific ground for complaint was needed, but other Western nations came in for a touch now and then, with the single exception of England. It is the plain truth that, except in regard to its exclusion laws, the dealings of the United States Government with China have been marked by unusual equity and justice. This had been so often remarked upon that America had come to stand almost apart, in Chinese eyes, from the other powers in her relations to the Far Eastern question.

This was the situation when the boycott showed its head. The exact origin of this peculiar movement is somewhat obscure. There are several well-defined theories, of which the one ascribing it to an effort on the part of a rival to discredit the Chinese minister in Washington has as much plausibility as any. Taking this or any similar view of its inception, it is certain that the movement was not expected by its promoters to get beyond an academic stage, sufficient to definitely accentuate it without producing any serious consequences. Then, at the proper moment, the thing would be patched up with a flourish of diplo-

matic trumpets, to the credit of certain high officials. Mr. Conger, formerly United States minister to China, brought considerable ridicule and criticism upon himself by early expressing the opinion that the boycott was simply a flash in the political pan and would amount to nothing. But Mr. Conger was entirely right in his judgment, estimated by ordinary experience and standards. He erred in failing to consider the new element internally operating in China, and which was quickly injected into the boycott movement. This element was the Japanese influence, chiefly operating through that part of the native press manipulated in the interests of Japan.

I was able to discover no satisfactory evidence to show that the boycott movement, in its original form, was created by this influence. But the manipulators of the propaganda in the native press were apt to grasp the opportunity. Here was provided ready to their hand a two-edged sword, slashing at American interest and prestige on one side, while cutting directly into all white foreign influence on the other. To trace the movement minutely through its uneven course, its seeming lapses into inanition, its curious revivals in many places and many forms, its persistent, steady progress at all times under governmental ban and official condemnation is not necessary here. Passing through Shanghai on his way to take his post at Peking, Mr. Rockhill, the American minister, was assured by the Shanghai gentry and guild leaders that the boycott was merely a sporadic affair and it was already abandoned.

At that very moment it was gathering force and taking, for the first time, tangible shape. High officials at Peking promptly disavowed the whole matter, and promised energetic measures to suppress it; but it somehow continued to make headway. It is a great mistake to regard this boycott as a spontaneous expression of popular sentiment in China, called out by the American exclusion law. As a matter of fact, nobody in China except a few paid agitators, and perhaps certain foreign interests in a position to profit by detriment to American trade, wanted a boycott. The whole thing was carefully and systematically worked up by artificial stimulation and indirect political pressure of a kind entirely new to China, until it assumed the outward form of a popular movement. Nor is it impossible to detect the chief means employed, and trace them with reasonable assurance to their source.

The chief agency employed in the extension of the boycott agitation was, naturally, publicity. Several channels were used—newspapers, placards and cartoons being the principal ones. In the course of several months hundreds of thousands of placards, pamphlets and pictorial caricatures were circulated throughout the empire. Their character and contents varied according to the locality in which they were distributed, but the intent of all was substantially the same. I saw a large number of these publications. Some were amusing, some interesting, and some alarming. The cartoons were sometimes particularly striking. They usually represented a Chinese being

maltreated by a white man, presumably an American, although no particular pains was taken to preserve national identities in many of them. How these posters were circulated was at first hard to discover. Naturally, the provincial and local officials were anxious to keep their skirts clear, fearing retribution in some form, and pretended to, and in many instances did, prohibit the distribution of boycott circulars and cartoons. But a convenient agency was found.

Within the last few years thousands of Japanese, many of them Buddhist priests, have come to China and are now scattered to the remotest parts of the country, where other foreigners are seldom, if ever, seen. Some estimates place the number of these Japanese now in China as high as fifty thousand, although this is probably a mere guess. However, it is certain that thousands of Japanese tradesmen and commercial agents have settled in various remote parts of the empire, adopting the life of the people and often their dress. Since other foreigners are not permitted to live or engage in business outside the treaty ports, it will be perceived that considerable present and prospective commercial advantage promises to accrue through this condition, which will not be shared by other nations. Dismissing this phase of the matter, there is good reason to believe that these Japanese were instrumental in furthering the circulation of the boycott propaganda. In fact, many instances where they did so are positively known. As time passed, and reports of the spread of the movement in the interior began to

reach the foreign population centres, it became known that many of the placards and cartoons circulating outside the established sphere of foreign contact were of an absolutely incendiary character, couched in the same general anti-foreign spirit that the "boxer" movement took root in. Letters began to come to consular representatives from missionaries and other persons who reside in the interior, calling attention to this situation, and expressing some concern at the possible effect of the agitation among the people. This, coupled with other disquieting manifestations of the movement, brought on a climax, and led to international action which induced an outward relinquishment of the "boycott" by causing the withdrawal of the support which fed it.

A movement so widespread and sweeping could hardly fail to leave tangible traces, and this one planted some pretty deep footprints. To carry on such a systematic campaign required organization and central direction. It also required money. The printing bills alone ran into a large sum. While the agitation was at its height in Shanghai a reasonable estimate placed the expense in that district alone at between one and two thousand dollars a day for printing, bill posting, renting of halls for meetings, speakers and other incidentals connected with publicity. Some one provided these funds; some one directed their application. A brief review of conditions in Shanghai, which was the centre of the agitation, may shed some light on the matter.

The movement was ostensibly carried on by the

commercial guilds and presumably supported by the better class of Chinese merchants, who were supposed, through their guilds, to provide the money to keep up the agitation. But as the movement progressed it became evident that it did not have the support of the merchants, although they were constrained to outwardly array themselves with it. It soon became known that the agitation was backed by an element entirely out of real sympathy with the merchant guilds, and the human agency principally employed was a class of Chinese generally spoken of as the "Japanese students." This term requires explanation, since it does not mean Japanese, but Chinese who have been educated in Japan. Within the last few years thousands of young Chinese have gone to Japan to be educated along certain lines, and many are now back in China in the employ, openly or surreptitiously, of the Japanese Government. They form a mobile and intelligent element, perfectly adapted to certain political uses in China's present stage of development. They were the active agitators, and from their ranks the principal speakers were drafted, to address the numerous meetings that were held. I attended some of these meetings, and while I cannot understand Chinese, I was able with the assistance of an interpreter to follow what was done. These meetings were invariably "packed" by the agitators. On several occasions Chinese who had been educated in America and who desired to present fairly the American side of the matter, and point out the futility of such a movement, were

shouted down. Not only this, but surreptitious intimidation was resorted to. Chinese who deprecated the movement—and this class embraced nearly all the prominent and influential merchants throughout the empire—received threatening letters, and in some cases were assaulted at night in their homes by ruffians employed by the agitators. When the boycott, by the “packed” action of some of the guilds, was put into effect in Shanghai, nearly all the big Chinese compradors and merchants went to their American associates and told them that while they were very much against the boycott they were compelled to obey the mandate of the guilds. Nor is there any sound reason to doubt that this attitude was sincere, for the longer the boycott continued the more it demonstrated that, although it might effect some casual detriment to American commerce, it was wreaking great and immediate harm to Chinese interests.

An illustration or two will make this clear. For instance, a large Chinese piece goods house which deals extensively in American cottons has for years put out certain “chops,” or brands, of its own. The goods are partly made in America, partly in England, while a considerable quantity is manufactured in a Shanghai cotton mill owned almost entirely by Chinese. All these goods are assembled in the go-downs of the firm, and put before the consumer under its special “chop.” Such commercial methods are common throughout the world. When the boycott was instituted this particular “chop” was blacklisted, with the

result that it not only affected English made goods, but actually boycotted goods made in Chinese mills by Chinese workmen. Another instance is that of a great American corporation which has included a number of English and German factories in its organization, retaining the English and German trade-marks. It happens that this concern, which does an enormous business in China, operates in the Orient under a British charter. It happens also that the brands of goods which are chiefly sold in China come from the British and German factories, having a large sale in this region at the time they were consolidated with the American firm. Of course all the goods sold by this corporation were boycotted, with the result that the real industrial loss fell upon England and Germany. Such cases might be multiplied *ad infinitum*.

As the movement extended to the consumers it developed another unexpected tendency. Chinese purchasers found it difficult to distinguish American from other foreign goods, so they evinced a disposition to eliminate the possibility of error by refusing to buy *any* foreign made goods. As thousands of Chinese merchants throughout the empire carried large stocks of foreign goods, this tendency threatened them with ruin. All of which merely again demonstrates the well-known fact that a general commercial boycott is a many-edged weapon and will cut the hand which attempts to wield it. So it was, and must have been, that such a movement as this boycott, under the conditions possible to apply it, could only be

detrimental to commercial classes in China; and the assumption that it was supported and encouraged by this class is as destitute of fact as it is of rational incentive.

This leads back to the original question: What was the force behind the boycott agitation? A process of mental elimination may narrow the field somewhat. Which of the foreign powers now struggling for political and commercial advantage in China is in a position to possibly profit by a recrudescence of the anti-foreign (which in this case means anti-white) sentiment? I can think of but one. Let us investigate further.

Of the newspapers printed in Chinese under Japanese charters, the principal one is published in Shanghai under a title which translates into the *Eastern Times*. It is managed and edited by a Japanese brought over from Japan for the purpose, and there is scarcely any reason to doubt that its policy is directed from Tokyo; or rather, as has been openly asserted in Shanghai, from the Japanese consulate. When the organized propaganda discovered a valuable asset in the "boycott," and set it on its feet again just as it was beginning to totter, its centre of operation apparently became the office of the *Eastern Times*. This paper actively took up the agitation, and other papers published in the same interest throughout the country promptly followed suit. This is no matter of deduction or conjecture. It had been officially announced, by the Shanghai guilds, that the boycott had been suspended until the American Congress could meet to consider the matter,

and the American minister at Peking and the American Consul-General in Shanghai had received positive assurances to this effect. In other words, the movement, in its original form, was dead. But the new agitation quickly took root and was soon found to be making headway. Naturally, the policy of the *Eastern Times* did not escape notice. Its attitude became so flagrant and offensive that Mr. Rodgers, the American Consul-General, called the attention of the Japanese Consul-General to the matter. The fact that the paper was published under a Japanese charter lent diplomatic propriety to this step. The Japanese Consul-General politely replied, disclaiming personal responsibility and expressing regret at the tone of the newspaper, and intimating his intention to interpose an official check. It may be that he really intended to do this; but a few days afterward he was recalled to Japan and a successor put in charge. Suffice to say that the *Eastern Times* did not alter its policy. On the contrary, it became more aggressive in urging it. It even went so far as to select a date, July 20th, when the boycott was to be carried into effect. For some time before July 20th, the *Eastern Times* printed daily in large type, "Six Days Until the Boycott Begins," etc., altering the words from day to day to suit. Meetings were organized, and the city flooded with posters and placards containing the same reminder as the *Eastern Times* daily displayed. Suddenly, almost mysteriously, the agitation revived; and from then progressed steadily along the lines I have already outlined.

Prominent Chinese merchants who had extensive dealings with foreigners began to receive further warnings and threatening letters, which they carried in alarm to their foreign friends. Although Mr. Rodgers exerted himself to the utmost he could get no satisfaction from the Chinese authorities, who appeared to be afraid to take any decisive measures. So things drifted for a few weeks. Signs presenting American goods and firms were defaced at night, while native newspapers refused to accept advertisements of American firms, or to print articles contributed by Chinese presenting the affair in a sensible light. On the date announced by the *Eastern Times* the boycott went into effect.

Up to this time the foreign newspapers printed in China had adopted various attitudes toward the boycott. Those indirectly subsidized by the Japanese Government, while not usually daring to openly advocate the boycott, gave it all the favorable publicity possible under cover of a mildly depreciatory tone. Some of the English and German papers were inclined to be a little jocular over it, and poke fun at the Americans in their dilemma. The French and Russian papers denounced it from the beginning, and pointed out that it would eventually affect all foreign interests alike. The principal British organ in the Far East had adopted the policy of quietly stimulating the agitation as far as it could without giving offence to Americans. Through it all Consul-General Rodgers and representative Americans behaved with dignity and propriety.

However, suddenly there came a change. Certain aspects the movement was assuming became too serious to longer dally with. A meeting of the foreign consular body in Shanghai was held, at which it was agreed to take joint action to suppress the agitation. The shoe had begun to pinch other toes than American. The British organ switched its policy overnight, and roundly denounced the boycott and the influences (though not specifically) behind it. Not to go further into details, this action struck the knell of the movement so far as active agitation is concerned. It had made little practical headway away from Shanghai. Even the *Eastern Times* changed its attitude. Once the fire is well started the bellows may be laid aside. From then it was merely a question of how far the impetus it had received would carry the movement.

This is undetermined as I write this; but its mutterings can still be heard in places. And it is generally admitted that the closing months of 1905 and the beginning of 1906 brought a noticeable revival throughout the empire of the old anti-foreign sentiment, which led to serious rioting in Shanghai late in 1905, and minor disturbances elsewhere. It may be that we shall have to seek the ultimate results of this unusual incident in the future. The actual detriment to American commerce has so far been slight. But the fact that new forces exist in China with the power and will to injure American and European interests is a fact to which the Western world cannot afford to be indifferent.

CHAPTER XVII

THE NEW CHINA

CONCLUDED

Internal Forces of the Empire — Evidences of an Awakening — Errors in Western Conceptions of the Chinese — Liberal Patronage of Railroads — Modern Industrial Development — Profits of Railway Lines — Political Forces — The Chinese National Spirit — Some Confusions of Thought Among Westerners — The Ambitions of Old China — Influence of Chinese Educated Abroad — The "Japanese Students" — The Reform Movement — Birth of a New Doctrine — Characteristics of the People — Ambitions of the New China.

TURNING to purely internal evidences of the awakening of China, they may be found on every side. And while foreign and quasi-foreign influence will be deeply felt in the forthcoming transformation, the fundamental factors are to be found in the people and country; for whatever political manifestations attend the evolution, these will always remain the chief elements with which they must be worked out.

After several visits to China, and observation of and association with them in peace, internal disorder and war, I confess to a deep and sincere liking and admiration of the Chinese people. This is no sudden or sentimental impression; but

rather one which has evolved gradually from an originally adverse predisposition. In so far as any general characteristics can be associated with a race, it seems to me that the Chinese are industrious, reliable, law-abiding, good-humored, capable and tolerant. These are good qualities, and intelligently directed in the path of modern progress cannot fail to accomplish great results.

In the prevalent Western conception of the Chinese there are, I think, several radical errors. One is that they are adverse to modern improvements; another that they have no military capacity; another that they are incapable of playing a significant part in the political regeneration of the nation owing to absence of a true national spirit. Passing for the moment a discussion of these propositions in detail, I will ask if all these things could not have been said, with a considerable semblance to truth, about Japan half a century ago? And they were no more true of the Japanese people then than they are of the Chinese people to-day. The Chinese as a people have never been averse to modern progress, except as their government has incited them to be, and used its authority and influence to keep them as they were. And this is true, I think, of the history of all peoples.

Take the matter of railroads in China. For many years, or so long as the official classes circulated among the people fantastic reports about the foreign steam monsters, so long as they were taught to believe that the passage of a railway would be a desecration of the graves of their an-

cestors, the people were bitterly hostile to the building of such roads, and were easily incited to attack surveying parties and the like. But no sooner had the railroads, in spite of these artificial difficulties, been built and put into operation than the people literally swarmed to use them. Local railway passenger traffic upon fully established roads in China has to-day no parallel except in the daily rush in and out of great population centres in Europe or America; thus once more illustrating the eternal striving of the human race toward convenience.

Not only this, but the Chinese are rapidly arriving at the point where they will be practically able to dispense with foreigners in the operation of their railroads. The entire northern division of the Imperial Railways of North China had not, the last time I travelled over it, a single white employé. Station agents, train despatchers, conductors, guards, locomotive drivers, road inspectors, etc., were all Chinese. It will be a revelation to many Westerners to make a stop at Tong-shan, where are the principal work-shops of this railroad, and where with Chinese workmen the company is building many of its own locomotives, all its own rolling stock, pump machinery and similar necessities. Here foreigners still superintend the more important branches of the work, and will probably do so for some years to come. But, as in Japan, even this is a transitory condition.

The impulse acquired by modern industries in China within the past ten years is really remark-

able. At Wu-chang the Chinese are making modern rifles and artillery for the new army, while the smoke-stacks of all kinds of factories are to be seen from one end of the country to the other. And the general opinion among foreigners who have had experience with them is that the Chinese are naturally capable in all branches of skilled and unskilled labor, and learn readily and willingly to operate modern machinery. It no longer astonishes one in China to see a Chinese electrician come to fix the electric lights or the telephone, do his work quietly and quickly and go about his other business. The common thing now is to see wealthy Chinese going about the foreign concessions in their motor cars, driven by native chauffeurs. Even the new woman has made her appearance. Recently I saw the young daughter of a high official riding a bicycle through a street in a foreign concession, attended by a servant on another wheel. Nor are these superficial demonstrations, but signs of real import. I do not hesitate to express the opinion that among nationalities to-day none is more disposed to take up with new and improved methods than the Chinese.

In scrutinizing the internal forces now operating in China they fall, naturally, into separate, though closely related, classes. Thus the purely political forces stand, in a measure, apart. In regard to the state of national politics in China, what are, I think, fundamental misconceptions prevail in the West. Take, for example, the generally accepted idea that the Chinese have no national spirit or ambition. The fact that

the Chinese language contains no exact translation for the word "patriotism" has been used in a thousand ways by a thousand writers and speakers to show that this particular branch of the human race is devoid of what we have been taught to esteem as a virtue, in the absence of which no virile national life can be formulated. This opens a broad vista for discussion, which I do not wish to penetrate far. But in the time I have spent in China I have seen much that has caused me to reflect upon this proposition, especially in its bearing upon the Chinese. What, for instance, constitutes national virility? Many answers might be given to this question; but it is certain that one of the chief manifestations of national virility is endurance. Can we assume that a nation which has retained its political and territorial entity, and preserved its civilization practically intact through a period of thousands of years is without some substantial elements of national virility? Is not the very existence of the Chinese Empire to-day an irrefutable illustration of national endurance to which history can afford no parallel?

Governments rise and fall, and are replaced by other governments. In these recurring changes the fundamental reason is always hinged upon a widespread endeavor toward betterment. No form of government can indefinitely endure that does not substantially satisfy a majority of the people living under its jurisdiction. In China we see a government which, with no fundamental alteration in its political theory or general

method, has managed to make itself tolerated for a great lapse of time by not a scarce or isolated people, but by one-third of the inhabitants of the earth. Here, clearly, is food for reflection; and with these facts in mind it may be possible to reach a better understanding of the political forces inherent in the Chinese people.

One who has followed the current discussion in the Western world of the national situation of China can scarcely have failed to observe in much of it a certain confusion of thought. It is a common thing to point to social conditions in the Orient as something which no people with a spark of intelligence and spirit would endure. But in this Westerners are estimating conditions by their own ideals, not those of the Orientals. To me, however, the starting point for many false conclusions about China, entertained in America and Europe, appears to be a loosely conceived notion as to what constitutes national spirit or ambition. Surely there can be more than one kind of national spirit, many objectives of national ambition. Has not the average Westerner of to-day, when he thinks of national spirit, really in mind some presentment of an impulse to have his nation gain some advantage over some other nation? When we speak of national ambitions does there not lurk somewhere in our minds the lust for conquest? When we talk about this or that nation or people having no national ambition do we not habitually accept as a justification for our opinion the fact that the nation or people in question shows no disposition to push its interests at the expense of

other nations? And is not the prevailing impression that the Chinese have no national spirit largely based upon such ideas?

It is true that this particular kind of national spirit and ambition has been, for a long time, apparently lacking in China. But it by no means follows that it may not be recreated. I say recreated, for the Chinese Empire was built through conquest, and the Chinese were once a warlike people. Even within the memory of men now living there have been wars in China of greater magnitude, estimated by loss of life and property, than the American civil war and the Russo-Japanese war combined. National spirit and ambition, in their belligerent manifestations, usually spring from one of two causes: a lust for conquest, or the necessity for defence. In the course of history the former condition has frequently followed the latter. Nations often arm for national defence, only to later turn their weapons against some weaker nation in a war of conquest. And the defensive belligerency of the Chinese people is already aroused, its direct manifestation being the effort to create a new and modern army. Should this effort be successful, will the Western world like to witness in China the growth of a disposition to use its vast latent strength externally? In other words, do we of the West wish to see the Chinese develop the kind of national spirit and ambition we usually have in mind when thinking about our own, and like that which many Westerners now so highly and thoughtlessly praise in the Japanese?

Prominent among the new political forces in China is the influence of Chinese who have been educated abroad, and who are now coming home to live in considerable numbers. Those who were educated in Europe or America are, as a rule, while entertaining more advanced views about political principles than when they left home, comparatively conservative and content to see a gradual evolution. Perhaps it is more accurate to say that these men, who usually are fairly practical in their ideas, realize the strength of the forces which oppose a too sudden change and recognize the necessity of proceeding cautiously along the path of reform. In this class belongs Wu-ting-fang, whose personality is widely known in America. However, there is another class of reformers, who have received a foreign education, that is not so moderate. This class embraces a great majority of Chinese who have been educated in Japan. It is only in quite recent times that young Chinese whose parents desired them to receive a foreign education have been sent to Japan. The reasons Japan is selected instead of Europe or America are almost invariably financial, it being possible for a student to take a course of several years in Japan on a sum that would not subsist him for a year in America. Within the last few years China has begun to receive back these young men, many of whom have imbibed little more than a smattering of Western learning, their accomplishments being usually limited to an imperfect knowledge of English, together with a brief course of instruction in some Western busi-

ness system. With these accomplishments, however, they are able to secure employment in one of the foreign hong's or banks, or with one of the new Chinese corporations organized along modern lines, and can pose before ordinary Chinese as men of advanced ideas.

The present agitation for internal reform springs almost entirely from this class. In fact, many of them are paid political agitators, subsidized to promote by both subtle and direct means certain political and commercial interests. I have indicated the influence of this class upon the so-called American boycott. But its activity is by no means confined to measures such as that. They have nominated themselves (or perhaps the primary stimulation is from an external source) the prophets of a new dispensation for China; a political regeneration by which the old empire will shake off the political shackles now hampering her progress, and take a foremost position in the world. In so far as these advocates of a new China have formulated a programme, by which the desired result is to be attained, it runs in the direction of a "The Orient for Orientals" doctrine. In this agitation lies the germ of the swelling anti-foreign sentiment. And it is worth noting that nearly all the Chinese who have been educated in Japan return to China imbued with anti-foreign sentiments. This is a fact to reflect upon; that it is a fact I think no foreigner who has kept touch with recent events in the Far East will deny, unless he is totally blind to what is going on.

It is not easy to determine the future result of the agitation inaugurated by this element. Much depends upon the course of the Western powers. Should they display a disposition to ignore or condone this offensive and dangerous propaganda it may get beyond control, and lead to disturbances disastrous not only to Western interests in the Far East, but to China as well. However, I am unwilling to believe that the Western powers will pursue such a short-sighted policy; but will rather, by concerted action, assist the Chinese Government to keep this movement within bounds and permit the cause of reform to pursue an orderly and consistent course.

However, it will be a mistake to judge this agitation by its would-be leaders, who either in their individual or collective capacity need not be taken too seriously. But the idea they proclaim has a vitality entirely outside of and beyond its advocates. This vitality lies in a general resentment against the treatment so long accorded by foreigners to Chinese in their own and other countries, and the humiliations to which the nation has so often, in the past and present, been subjected by foreign powers. It is a great error to regard the Chinese as a down-trodden and supine people, out of whom all spirit has long ago been crushed by an autocratic and tyrannical government. The Chinese Government, although an absolute monarchy in form, is not at all autocratic in its working method; in fact, quite the contrary is true. Real tyranny over any considerable part of the people is practically impossible, owing to the

official system of checks and counter-checks. If a local official seriously displeases his constituents they have ways of making him accede to their demands. I was recently in an interior city of China upon an occasion when an official had unjustly humiliated a respectable merchant. The friends of the offended man quickly assembled, marched in a body to the house of the offending magistrate and demanded that he apologize under pain of a general refusal on the part of the local guilds to pay their taxes. As the magistrate only held his position so long as his tax returns to the man-higher-up were kept to the required standard, he was compelled promptly to disavow his action and make public apology to the man he had humiliated.

The notion that the Chinese are supine is probably due to misconceptions arising from their law-abiding disposition. A strong central government and a powerful military are the instruments of tyranny, and these have never existed, except at rare and brief periods, in China. Yet here is a nation which has continued on a comparatively even course for many centuries without a strong government or a military to coerce the people. Foreign powers, with a well-equipped military force, can browbeat defenceless Chinese, but their own government has never been able to do it successfully. And it is a queer commentary upon prevailing Western habit of thought that the average Westerner, in contemplating this singular and striking evidence of their advanced civilization, should look upon this propensity of the

Chinese to follow the arts of peace with contempt. But they can be cured of even this long-established trait, and the outcropping of a bitter feeling toward foreigners is an indication that the new seed is taking root. It is probable that the effervescence of the younger reformers will be modified as time passes, under salutary treatment; but they are a living force in the new China and will be felt in the coming transition.

That this political transition is coming may not be doubted; it is, indeed, already well under way. Indications of a forthcoming national rehabilitation, should China be permitted to retain her political entity, may be noticed everywhere. While some of the actual accomplishments of the reformers, such as Wu-ting-fang's recent revision of the code of punishments, by which the abolition of the "thousand cuts" was wrung from timid conservatism, are often more likely to cause a smile than invoke serious belief in them as an indication of progress, there are many hopeful signs on the horizon. The new army now exists largely on paper, except in the north, where Yuan-shih-k'ai has created a corps of really excellent and well-equipped troops; but it will come unless foreign prohibition intervenes. Personally, I see not the slightest reason to doubt that the Chinese will make excellent soldiers if they are properly armed and trained. They possess courage and capability in plenty. All they require is efficiency, and I have yet to see a people capable of absorbing instruction more rapidly. Entrenched conservatism is being hustled on all sides, and

cannot long withstand the new forces at work. The sending of commissions to study conditions and methods in foreign countries is a sign that the spirit of the new era has reached Peking. In fact, the political and social construction of China is peculiarly favorable for a comparatively rapid and easy transition. The old China will die hard, but it is doomed.

I should take pleasure in dwelling upon the impressions created by the natural aspects of the land, as one travels for days through fields of waving grain and growing crops, by thousands of villages and numerous large cities, on one of the new trunk lines or along one of the great rivers. All this has been described many times, although it is only lately that Westerners have begun to look upon it all with eyes toned to appreciation of its inherent industrial and commercial possibilities. Here is indeed a marvelous country, with almost limitless capability for development.

In the great, new future that is coming to this old country two elements will struggle for supremacy. One will be the forces inherent in the Chinese people coupled with such assimilative influence as Japan will be able to exert. The other will be the more material, more advanced civilization of the West. Neither will entirely win the battle, but one or the other will finally point the way for the whole world. I am no very serious believer in what is called the "Yellow Peril"; not only because I have great faith that the star of destiny still hangs over the West, but because I believe that under any favorable circumstances

the good sense and sound character of the Chinese will vindicate themselves. In respect to the "Yellow Peril" it is interesting to recall what a Chinese official of progressive tendency recently said to me:

"The future contains no yellow peril for Europe and America," he remarked; "but it does contain one for Europeans and Americans in Asia unless your nations and people learn to treat Asiatics with more consideration."

This is the voice of the new China, and it is to be heard and considered.

CHAPTER XVIII

JAPAN, CHINA AND THE WEST

The "Yellow Peril" Possibility — Japan's Relation to the Question — China the Determining Factor — Creation of the New Chinese Army — Use of Japanese Military Instructors — Possible Restrictions upon China's Military Development — Progress of Education in China — Oriental Industrial Possibilities — Some Food for Reflection — Influence of Japan upon the Future of Commerce and Industry in the East — Logic of Japan's Position.

It is clear that the so-called "Yellow Peril," in its broader aspects, depends upon a possible development on the part of Oriental nations of an externally expressed belligerency. Such belligerency may take, in its possible effect upon Western civilization, either or both of two shapes—military and industrial.

The first of these contingencies, while not to be dismissed as an impossibility, is now of remote practical interest to inhabitants of the Western hemisphere, on account of the security afforded by geographical isolation. But European nations having possessions lying contiguous to Oriental countries may not, perhaps, feel able to dismiss the question so lightly. While it requires an impressionable imagination, at this period, to con-

template seriously the possibility of an Oriental invasion of Europe, Oriental aggression upon European possessions and influence in Asia contains, in some ways of looking at it, a germ of probability.

I cannot agree with those who, drawing mistaken conclusions from her recent military success, profess to see in Japan a serious menace to Western civilization. While I am strongly disposed, basing my opinion upon past and present evidences of her true policy, to believe that Japan has both the desire and the will to bring about such a consummation, I feel confident that she has not in herself the strength to accomplish it. But China has the latent strength, united to that of Japan and other peoples susceptible of being included in a "The Orient for Orientals" policy, to make such a doctrine practically applicable to Asia; and it is this fact that embodies in the future of the Chinese Empire a significance to the West far beyond the possibilities involved in the development of industry and commerce, and admonishes it to look to its fences.

Reverting from theoretical to practical manifestations of Oriental tendencies, it is interesting to consider the probabilities of China in a military way. While the creation of a new and modern army has only just begun, it has progressed far enough to permit some reasonable conclusions to be drawn. As yet little genuine progress has been made except in the north, where the recent manœuvres showed a truly remarkable advance toward a high standard of efficiency and called

forth warm praise from foreign military attachés who were present. I regard the natural military capability of the Chinese as equal to that of the Japanese, if not fundamentally superior. The Chinese are as intelligent, are physically larger and stronger, and few peoples can equal their endurance. This has been so often demonstrated that it is hardly a matter to be disputed. And that China is alive to the necessity of having an army is certain. Even the reactionary court has at last seen this writing on the wall.

China realizes that she requires, as did Japan, external aid in organizing and instructing the new army. For many years a number of foreign military instructors have been employed, chiefly Germans; but it seems probable that in the future Japanese officers will be used for this important work. This is not because the Chinese regard the Japanese as more efficient than white officers, or because they prefer them for racial reasons; but is due to entirely practical considerations. The termination of the war will naturally result in a considerable reduction of the personnel of the Japanese army; thus releasing from active duty thousands of officers. These officers are being permitted, even encouraged by the Japanese Government to seek employment as instructors to the Chinese army. The reasons for this policy should be obvious, since it will enable Japan to take the leading part in the forthcoming military reorganization of China, and is likely to result in an extension of Japanese influence. China's reason for employing Japanese instead of other foreign-

ers is that the Japanese can be secured for half the pay it would be necessary to give Europeans or Americans, besides being available in larger numbers. And it may be assumed that the Japanese are quite competent to do the work. China will retain some other foreign instructors for political reasons, but the army that is to come will be largely the handiwork of Japan.

It is by no means certain, however, that, before much time has elapsed, restrictions will not be placed by the Western powers upon China's military programme. In fact, such restrictions already exist; as the regulations in the international treaty prohibiting the importation of arms into China and the fortification of certain ports. These regulations were imposed by the powers after the "boxer" troubles, and were designed to prevent any anti-foreign uprising from becoming too formidable. During the last few years this regulation has been nominally enforced; but the Chinese Government is evading it by manufacturing arms and ammunition in its own arsenals. At Wu-chang they are turning out a fairly good magazine rifle of the Mauser pattern, and are also beginning to make field artillery of a modern type. This work is now carried on chiefly under Japanese supervision, and, while the facts are perfectly well known, is kept as quiet as possible. I had an example of this recently, when, through the agency of Japanese instructors, I was prevented from visiting the Wu-chang arsenal. It is probable that I could have overcome this opposition by persistent effort, but I could not then

afford the necessary delay. Already are the Japanese in China, in all walks, beginning to display this disposition toward other foreigners; an evidence of a desire to be themselves the chief instrument in the transformation of the empire. This is a perfectly legitimate ambition from their standpoint, but it is a question whether the success of such an effort will be best for Western interests in China.

A force that will have great effect in the evolution of China is the present effort toward a more modern system of education. For many years the missionary schools, if seeming to accomplish little along spiritual lines, have done excellent and far-reaching educational work; as also have some of the native colleges, which employ foreign instructors. But here, again, the Japanese influence is becoming a factor. The Japanese schoolmaster is filling the land; and, aside from external political motive, from largely the same practical reasons that apply to the creation of the new army. Japanese who have, in their own country, or abroad, managed to gain a fair working complement of foreign educational knowledge, find an apparently profitable opening in China as teachers. As in the case of Japanese officers, and for the same general reason, they are encouraged and often assisted by their government to go to China. There they either secure employment to teach in one of the native colleges, or open little private schools in the interior, where foreign influence has never before penetrated. Along with these school teachers are a large number of Japanese

Buddhist priests, who are often able to exert an influence through their religious profession. Needless to say, this influence is not to the disadvantage of Japan. I do not wish to excite racial prejudice or create undue alarm in the West, but the possible effects of these conditions are worthy of consideration. That there should be at present a flush of Japanese influence, perhaps out of proportion to its real carrying power, is only natural.

On their own behalf the Chinese are making noticeable strides in educational matters. This movement is bitterly opposed, strange as it may seem to persons unacquainted with conditions in China, by the scholarly classes; but this opposition will prove futile. Nothing can now stay the progress of the empire along modern lines. A number of industrial schools, designed to teach the youth of the nation useful trades—such as electricity, mechanical engineering, and the use of modern machinery and tools—have been established, and others are contemplated. These schools are comparable to American and European manual training institutions. Courses in the higher scientific professions are now embodied in the curriculums of nearly all the colleges, and the land is being rapidly dotted with modern hospitals, which are being more and more supported by Chinese of all classes.

The question as to whether the East will ever develop an industrial organization capable of being adversely applied, by direct competition, to the West opens a wide field for discussion, and

one which I do not feel equipped to enter very far. But my observation of conditions in the Orient, and particularly in China, which is its real heart, have caused me to be impressed by some very interesting manifestations. That this is recognized in the West as a practical question is shown by devices upon the part of some nations to exclude Orientals in large numbers, of which the American exclusion law is an example. It seems to be taken for granted, in many arguments advanced in support of such laws, that wherever the Westerner comes in direct contact with the Oriental the eventual result will be a depreciation of the Westerner to the Easterner's standard of life and wages.

With no intention to enter into a discussion of this question in its fundamental aspects, I may say that the actual results of such contact, wherever extensively expressed, are directly contrary to the logic of this familiar argument. For instance; for many years now thousands of Westerners have resided in various parts of the Orient, especially in China, and their number is constantly increasing. Instead of being reduced by this contact (which may be here assumed to apply in its greatest force) to a standard of life on a level with the Chinese, the result has been exactly opposite. Since I first visited China the cost of living for foreigners in any of the treaty ports, or elsewhere throughout the empire, has more than doubled. And this is not only true of foreigners living in China, but the standard of living and rate of wage of Chinese who have in any material

way been affected by contact with foreigners has correspondingly advanced. No person who is at all familiar with conditions in China will, I think, dispute the substantial accuracy of this statement. It is equally true of Japan, the Straits Settlements and other portions of the Far East. Also, that part of the United States where Chinese and Japanese have extensively gathered—the Pacific slope—always has been and continues to be the part of the country where wages are highest and where the standard of living is above the average. The tendency has not been for the wages of Americans to fall to the level of wages in the Orient, but for the Orientals to demand, and in many instances obtain a wage equal to that earned by Westerners. I will attempt to draw no general conclusion from these well-known facts except that the common impulse and tendency of the human race is not downward, but toward betterment.

And in regard to possible effects upon the West of the growth of modern industry in the Far East, some thoughts suggest themselves. It is possible for nations to interpose a check, by means of exclusion laws, upon the mobility of certain classes of labor as expressed in human energy; but no way has yet been devised to seriously interfere with the mobility of capital or the mechanical adjuncts of modern industry. To take the case of America as illustration, it may always be possible to exclude Chinese and Japanese from the national boundaries; but political principles and actual conditions will have to be extensively

altered before the United States, or any other nation, can prevent capital from going to China or Japan, and there establishing manufactories to be operated by Oriental labor. In fact, this is already taking place on a scale and with a success apparently not appreciated in the West. Hundreds of articles and products extensively produced in Europe and America are now made in Japan and China, and new factories are being established continually. And at present a majority of these enterprises are backed by European or American capital, although there is a growing disposition on the part of wealthy Chinese to embark in them on a large scale. The notion, still entertained by people whose ideas of China are at best hazy and antiquated, that all Chinese are poor is really amusing. There is an immense amount of wealth in China, which, coupled with the undisputed commercial acumen and integrity of the Chinese, cannot fail to seek and to find new opportunities. A time may come when the products of Chinese factories will knock at the doors of American and European marts.

A matter of immediate interest, in this connection, is the influence Japan will be able to exert upon the future of commerce and industry in the Far East, and particularly in China. A disposition is growing in the West to regard Japan as a determining factor in both the industrial and political future of the Far East. While this belief is not without legitimate foundation, I do not think it is entirely sound in many of its phases. It is clear that Japan *may* exert a decisive influence.

Should she be given a free hand in China she is undoubtedly in a position to enforce her will upon that now belligerently feeble nation; and should her political influence eventually predominate in Eastern Asia she may be able to use it to advance her interests in a way not possible under conditions which would compel her to progress purely on her merits. This merely recognizes the general rule that political authority can be used, at least temporarily, to advance national industrial and commercial interests. And whether Japan shall be given a free hand in China is a matter for the West to consider, in all its aspects. There is no doubt that she will go as far as she can.

In some respects Japan has an advantage over other foreign nations in pushing a commercial policy in Eastern Asia. Her political and military control of Korea and southern Manchuria gives her, at present, the upper hand in those regions. Then, every Japanese immigrant to the continent carries the flag of the national ambition. Japan hopes and expects to make China and Korea reimburse her for the expense of her long-calculated war; legitimately if she can, illegitimately if she must. Some elements of her commercial policy already betray themselves, and are attracting the notice, if not exciting the apprehension, of other foreign interests in the East. During the war the Japanese captured and confiscated a large number of ships of various nationalities, owing to alleged infraction of the laws of neutrality. These ships are now added to the already large Japanese merchant marine, and are to be distributed be-

tween the Japanese shipping lines to ply in Far Eastern or other commerce. As these shipping companies are subsidized by the Japanese Government, and very cheaply operated by Japanese labor, they are able to offer severe competition to other foreign lines trading along the Chinese coast and rivers; while a regulation giving them a monopoly of Korean coast-wise trade is being seriously considered by the Japanese Government. Even before the war ended other shipping companies had anticipated the effects of this competition, and the passing by several of them of the semi-annual dividend is regarded as a preliminary preparation for a shipping war with the Japanese. However, the other foreign and the Chinese companies, although they consider the prospect seriously, are by no means inclined to give up the fight in advance.

It is clear that Japan has fundamental advantages in commerce with Eastern Asia which can never be overcome by Western nations, such as proximity, and cheap and quick transportation to the market. But these are by no means decisive matters. My own opinion is that Japan will not be able to make material commercial headway upon the continent, in competition with some of the Western industrial nations, except by what may be correctly termed illegitimate means, exerted through political manipulation or military authority. And since such a failure would mean also the ultimate failure of the budding modern industry of Japan, and the permanent lapse of the nation into a place of secondary importance, it is

logical to presume that the Japanese Government will not neglect any available means to gain its end.

There are two possible checks upon a Japanese policy of political aggression and unfair commercial manipulation in Eastern Asia. One is the opposition some of the Western powers may exert, and the other is inherent in China herself. In the beginning the former must be depended upon for tangible results; but in the long run the latter, should China be permitted to pursue a normal internal development, will be the decisive factor. It is difficult to conceive how Japan, with scanty natural resources, will be able to industrially and commercially overtop a country like China, upon which nature has lavished her favors, and where an intelligent, capable and industrious people are ever ready to apply their activities. Japan must, in any extensive industrial development, draw the greater part of her raw materials from abroad; and any hope for Japanese industrial supremacy in the Far East must be based on a presumption that she can excel her great continental neighbor in workmanship. There is, to my mind, little solid foundation for such a presumption. I am inclined to think that the Chinese are not only quite equal to the Japanese in industrial cleverness, but in some respects are superior. What reason is there, then, to warrant the opinion that in a prolonged industrial and commercial struggle China, with a land of unsurpassed fertility and vast extent, with undeveloped mineral resources of incalculable variety and value, with

willing and efficient labor in any quantity, and with immense capital of her own will be distanced by a competitor like Japan?

In searching for an answer to this question, one is led, inevitably, to the conclusion that only the application of political pressure in some form can bring about such a result. And here we find, in a nutshell, the theorem upon which a majority of foreign policies in the Far East are founded; and which supplies vitality to the "Sphere of Influence" doctrine. What most foreign powers want in China is to exploit all or a part of her territory and people to the advantage of their own industry and commerce. I have no doubt that Japanese statesmen fully appreciate their country's true position in comparison to China, and here is revealed the real import of Japan's past conduct and present policy on the continent.

The instinct which draws Japan toward China is that of the leech.

CHAPTER XIX

AMERICA'S POSITION AND POLICY

Coming Realignment of Policies in Asia — Foundations for Existing Impressions in America — Examination of Basic Propositions Involved — Foreigners and Foreign Commerce in Japan — Japanese Attitude Toward Foreign Enterprises — Effects upon American Interests — Attitude of American Manufacturers Toward Japan — Japanese Feeling Toward America — Japanese Moral Standards — Has England Thrown America Over? — Problems for American Diplomacy.

SINCE it seems possible, even probable, that out of the existing situation in Eastern Asia will come a realignment of policies in which the "Sphere of Influence" doctrine will be revived in a more specific and formidable form, perhaps to the extent of reducing the "Open Door" to a meaningless phrase, the position of the United States of America demands attention. Its national aims in the Far East are pretty well understood by Americans to be confined to commercial and industrial matters, with no desire or intention to acquire additional territory. There is no doubt that American statesmanship, skilfully directed by the late John Hay, has in recent years, as always, pursued this course consistently and with absolute sincerity.

I advance no claim that America is more disinterested than other nations. Her policy is based upon the belief that the "open door" will be best for her interests, just as some other powers consider the "sphere of influence" doctrine as best calculated to advance theirs. All are purely selfish, in the sense that each nation is concerned most about its own advantage. In the case of America, there exists a sincere desire to advance the national interests as far as possible without injuring other nations; indeed, Americans would like to see others prosper as well as themselves. Unfortunately, all national policies are not built on this plan, but many are conceived in a school of statesmanship which seeks comparative advancement through detriment to competitors. And this is the guiding spirit of most of the policies now exerted in the Far East. With them all competition implies a fight. And in shaping the Far Eastern policy of the United States to meet the new conditions, this should not be lost sight of.

In probing the sentimental sympathy for Japan that now sways public opinion in America, in an attempt to discover a tangible foundation for it, one finds that an impression prevails that somehow American interests in Asia are going to be advanced through a continuation of Japanese success. This is, in much commentary I have seen, taken as a foregone conclusion. A disposition on the part of a commercially acute people to accept practically without scrutiny a proposition which so clearly contains elements of doubt is a striking illustration of the hypnotic effects of the Japanese

propaganda. For, at best, the suggestion that American trade will benefit by the success of Japan's aim in Asia is only a hypothesis, whose practical operation is yet to be fully demonstrated.

Set to work to analyze this hypothesis, and one finds that its present acceptance is largely based upon a formula something like this: "Japan is the most progressive nation in the Orient; ergo, the extension of her influence in Asia will result in a development along modern lines which will benefit the whole world."

Thus stated, in general terms, the proposition contains a substantial element of truth. But would it not be equally true to say: "England is one of the most advanced nations in the world; ergo, the extension of her commercial and political influence in Eastern Asia is sure to benefit the whole world"? Or could not we substitute Germany, France or America, with equal truth, for England, without depriving the proposition of any substantial accuracy that it may contain? All this can be said of the Russian occupation of Manchuria. Yet would the American people grant, without argument, that the unrestricted extension of British, German or Russian influence in Asia would be likely to permanently advance American interests in that part of the world? Would not such a proposition, on its face, be more likely to encounter a smile of incredulity rather than unconditional acceptance?

It follows, then, that the proposition that extension of Japanese political and commercial influ-

ence in Asia will benefit America is not to be granted without examination. To keep on safe ground, such examination will do well to look into the past and present for facts upon which to base opinion as to the future. One hears much like the following: "American trade in Japan is steadily growing; therefore its growth will naturally follow Japanese commerce wherever it goes." But American trade with England, Germany and Russia is also growing; yet Americans do not regard the extension of British, German or Russian influence as specially calculated to advance American commerce anywhere. The extension of American trade in the Far East, outside of Japan, does not in any fundamental way depend upon the Japanese. If, by means of some fearful seismic disaster, Japan were to sink into the sea, America would still do business in Korea and China. The foothold American trade has secured in Eastern Asia is not due, even remotely, to the influence of Japan more than to that of England, Germany or Russia. In a way each of the foreign powers, in pushing their trade in the Far East, helps the others by creating new wants among the people. Such aid, however, is not usually intentional.

In searching for some clues which may throw light on the probable effects of Japanese influence upon American interests in Asia, a glance should be taken at the situation of foreign commerce in Japan. Japan's foreign trade is steadily increasing. This is due to no desire on the part of Japanese statesmen to benefit other nations, but because Japan needs what she purchases

abroad to develop herself internally, and requires an outlet for her own products. Japan cannot continue to thrive, under modern conditions, without foreign trade, since she could only be self-sustaining by keeping her people to a very low standard of living. So the foreign commerce of the nation has developed along natural lines except in so far as it has been stimulated by government subsidies; as will that of China if it is given an opportunity. Of this commerce America has so far obtained a fair share for obvious reasons, in no way due to any preferential attitude of the Japanese Government. In other words, American trade in Japan has been compelled to make such headway as it could in competition with the commerce of other foreign nations. America got no more than she has been legitimately entitled to, nor will she in the future. This is set forth as a fact, not as a ground for complaint, for Americans are not disposed to ask any preferential treatment in Japan, or elsewhere in the East.

The present development of the foreign commerce of Japan is directly due to Western influence, in which the part played by America is well known. In its early stages it was conducted largely under the management of foreigners, many of whom went to reside in Japan. This condition still obtains in a modified form, but there are indications that point to the elimination of the foreigner as a commercial and industrial factor in Japan. This does not mean that foreign trade will diminish; on the contrary, it will continue to grow; but that the Japanese will largely dispense

with foreigners in its management and conduct, as they have already done in their military and naval affairs. It is not necessary to go very deeply into the special reasons underlying this change. Discerning foreign residents note the trend of events. "We shall have to go," they often say, in the seclusion of their homes or clubs; "in a few years a foreigner will not be able to make a living in Japan." I imply no reflection upon the Japanese in making this statement. This condition is the result of logical forces in the national life, and an outgrowth of the present ebullition of national spirit. It was, perhaps, inevitable. But foreigners and foreign houses doing business in Japan regard the prospect with anything but satisfaction. When foreign trade first began to make headway in the country, it was found to be absolutely necessary to have in all important positions in the large commercial and financial houses either Europeans or Chinese, because of the unreliability of the Japanese in business matters, as well as for other reasons. This propensity of Japanese character, which I desire to pass over without special emphasis, since there seems to be a sincere desire and effort to correct it, has not yet been eliminated; and foreign business concerns regard with some uneasiness a condition which will practically transfer into Japanese hands enterprises hitherto conducted under the supervision of foreigners.

Although it might be interesting to narrate, in detail, some specific manifestations of this disposition of the Japanese to take over all profit-

able enterprises within the national boundaries, I will try to content the reader by a brief outline of the general situation. Wherever it is deemed advisable or desirable to cause an enterprise to revert to Japanese control, the courts are usually the chief instrument employed. I do not wish to bring any sweeping charge that the Japanese courts habitually and intentionally discriminate against foreigners, in the adjudication of causes, when they are at legal issue with Japanese subjects, or with the government; although this has often been openly and specifically alleged in formal complaints made to the Japanese and foreign governments by foreigners who have considered themselves wronged. But the impression is general among foreigners in Japan that it is better, by all means, to suffer any tolerable injury or detriment at the hands of Japanese rather than appeal to the courts. In discussing this matter with me recently, a foreigner who has long resided in Japan and practiced extensively in the Japanese courts, admitted the disposition of judges to lean toward their own nationals, but was disposed to think that this preferential mental attitude was unconscious rather than calculated. Even accepting this charitable view, which is not entirely consistent with other well-known traits of Japanese character, the fact remains that a majority of foreigners in Japan feel that they can enter a Japanese court in action against a Japanese only at a disadvantage. There is no doubt that in many instances foreign business enterprises have been involved in specious litigation, with the

design and result of compelling them to sell out to Japanese investors or competitors. Many laws have been recently passed, designed to place limitations upon the development of foreign vested interests in Japan.

Even the Government, at times, resorts to pressure to compel foreign enterprises in Japan to turn over their business to Japanese control, either private or public. To illustrate the method of the Government in such matters I will briefly outline the conditions under which the tobacco monopoly was established. The extensive use of tobacco by the Japanese is a recently acquired habit, and is almost entirely the result of foreign influence. Some years ago the American Tobacco Company, in seeking to extend its trade in the Orient, decided to establish factories for the manufacture of certain products in Japan. In this it was encouraged by the Japanese Government, and the factories were built. As time passed the Japanese workmen, under the instruction of men sent from America, became fairly efficient, and the business developed in a promising way. When the war with Russia began the Japanese Government was confronted with the necessity of greatly increasing its revenue and, among other similar measures, decided to create a monopoly of the manufacture and sale of tobacco. On two months' notice the American Tobacco Company was required to sell its factories in Japan to the Government, at a price fixed by the latter. This price was, on its face, a fair one, and about represented the appraised value of the property. But it by no

means recompensed the American company for being thus suddenly compelled to give its property up. The products of these factories had a large sale in China and Korea, as well as in Japan, and were chiefly depended upon to supply a steady demand in those quarters for certain brands. When, on short notice, the factories were taken over by the Japanese Government, the American concern found itself temporarily unable to fill orders for those brands, which were thus for the time put out of the market, where the Japanese Government was free to enter unopposed. Of course, the American company at once set to work to remedy this difficulty by establishing a large factory in Shanghai, and energetically pushing other of its products; but it will be perhaps several years before it is in as good a position to supply its trade as it was before being compelled to sell its factories in Japan. Meanwhile, the product of its old factories, which it established and taught the Japanese how to use, to say nothing of its energy in creating a stable demand, is being pushed under cover of Japanese military control, in territories where the American company has previously enjoyed a large trade. In selecting this particular case to use as an illustration I shall not be accused of making a specious appeal to sympathy in America, for what is there known as the "Tobacco Trust" has, at present, much of the general unpopularity caused by some manifestations of a modern phase of American internal development. The fact that the Japanese Government may, on one hypothesis, have been justified

by circumstances in thus abruptly throwing an American enterprise out of the country, and totally and permanently depriving it of its market in Japan, does not in any way alter the effect of its action upon the industry in question.

My only reason for reciting this incident is to indicate a condition and a principle, which may both be reproduced many times in the forthcoming exploitation of Japanese industry and commerce in the Far East. The American Tobacco Company is already experiencing adverse effects upon its trade through the Japanese occupation of Korea and Manchuria, and the same is true of many other lines of American products. While the boycott agitation was at its height in Shanghai, the boycott propaganda was especially directed at the products of the British-American Tobacco Company, this being the name under which the trust does business in the Orient; and it was openly charged that the Mitsu Bussan Kaisha, which is the selling agent of the Japanese tobacco monopoly in China and Korea, was contributing a percentage on sales of its products to the support of the boycott.

As indicating how practical American manufacturers, with some experience of Japanese business methods, look upon certain phases of Japanese industrial development, may be mentioned their general refusal to exhibit at the Osaka Exposition, for fear their products would be copied and duplicated by Japanese manufacturers. It is well known in Western industrial circles that it is becoming the custom of American manufacturers

to decline to permit Japanese to visit their factories; owing to the constant employment in the interests of Japan of "commercial spies," whose occupation is to obtain models and plans to be used in reproducing foreign products in Japan, where they are not protected by patent or copyright laws. It may be, however, that these are only temporary conditions, although indirect obstacles continue to be encountered in attempts to protect foreign products from this sort of competition in Japan.

In late years, especially since the Far Eastern question began to assume its present shape, there has been a persistent attempt to impress Americans with the belief that the Japanese people regard America with a deep and lasting admiration and gratitude. There is some truth in all this, as such sentiments go, which is never very far in international affairs; but, nevertheless, a very exaggerated idea regarding it obtains in America. Flattery is one of the chief assets of the propaganda, and has been liberally applied in America and England. And, as a disposition grows to scrutinize more closely some of the actions and purposes of Japan, the Western world is informed by the propaganda that the qualities of Japan's statesmen and people are such that they will not be influenced in their impulses or ambitions by national glory. However, in order to keep this discussion on a rational basis, let me, for a moment, project it, hypothetically, away from Japan. Assume a people long accustomed to regard a certain part of the world as representing the high-

est degree of potential power as expressed in military excellence. Let it be so well convinced of this that it copies the military methods of the other civilization, and bends its energies to acquire proficiency therein. Let it then encounter a power long assumed by the world to be very formidable in a military way, and easily defeat it. Such a people might be expected to feel a little "cocky," to entertain a perhaps exaggerated notion of their own prowess; and if nearly the whole of the civilized world united in indiscriminate praise of them they would not be human if their heads were not somewhat turned by it all.

With my mind a little cleared by this digression, I will now venture to say that, upon my last visit to Japan, I could see that the people have been affected by their success in the war just as any other people would have been. It is true that Oriental suavity, too long inbred to be easily disturbed, enables the better classes to repress, especially in the presence of foreigners, their exultation. Having visited Japan several times before the war, I was able to make my own comparisons, and I say without hesitation, omitting details, that the whole nation is feeling very "chesty," to use a slangy but expressive word which all Americans will understand. This feeling has not, so far, manifested itself in any disposition on the part of the better element to be offensive to foreigners, particularly Americans and British; but I could observe a subdued insolence in some of the meaner classes, such as waiters, 'ricksha coolies, et cetera, that was not formerly noticeable. Probably many

persons in the West noticed that, during the popular demonstrations which followed the publication of the peace terms in Japan, the rabble showed a disposition to attack foreigners, and especially Americans; although this propensity may be attributed to the fact that the unpopular treaty was associated particularly, in Japanese minds, with America.

The propaganda has conveyed the impression that Japan realizes that the eyes of the Western world are upon her, impelling her to be on her best behavior. But does not even this favorable representation of the national conduct in this crucial period seem to imply that there is a tendency to contrary action underlying it; that there is something unreal, not genuine, perhaps hypocritical in it all? As to the ethical foundations of Japanese character, about which so much that I consider to be nonsense has been published, I can think of nothing more illustrative than the proposal of Marquis Ito, at the time when Japanese statesmen came to fully realize the necessity of cultivating a sympathy for Japan throughout the West, to adopt Christianity as the national religion. Although this extraordinary suggestion was hailed in some quarters as an indication of Japan's yearning toward better things, it really demonstrated that the people entertain no ethical belief that will not be readily sacrificed to expediency.

Turning to possible effects of Japan's political and commercial policy upon American interests in Asia, some few matters, besides those already con-

sidered, seem to be worthy of mention. There are, so far as I can see, only two theories by which American trade in China and Korea can presumably be advanced through the influence of Japan. One is that her occupation of certain territories will produce a general improvement of conditions therein, which will help all persons doing business there. I have already shown that this would probably be true, in some degree, if any progressive power was substituted for Japan. In fact, the great impulse received by American trade in Manchuria in recent years is due almost entirely to some effects of the Russian occupation. And Russia still occupies the greater part of Manchuria. Any presumption, assuming that the Japanese occupation is indefinite or permanent, that American trade in Manchuria will prosper more under Japanese than Russian control of the country may or may not be true.

Without entering into an exhaustive elucidation of the conditions and circumstances which apply to this proposition, I express my opinion that, if some foreign power must control Korea and Manchuria, it would be far better for American interests if it was Russia rather than Japan. Russia is not at present a serious industrial competitor of America in the products that are chiefly sold in those localities, and is not likely to be for a long time; while Japan is, or expects to be. Moreover, the Russians in Manchuria use large quantities of American staple products themselves, which is not true, in the same degree, of the Japanese. Assuming, then, that American commerce will be

compelled, in the future, to do business in Manchuria and Korea under conditions controlled by some power other than China and Korea, Japan is the last nation I would like to see established there. And this opinion also applies to the various circumstances under which Japanese influence is likely to be applied in Eastern Asia.

The other theory by which Japanese influence may be presumed to benefit American trade in Asia is that, in advancing her own commerce she will also advance that of other nations, including America. Here, again, we find a scintilla of truth, which may be applied almost universally. I have seen, in arguments along this line, comparisons between Japanese commercial methods in the Far East, in respect to their effect upon the trade of other nations, and the *comprador* system in China. Perhaps I should explain that a *comprador* is a middleman, or selling agent, through whom transactions between the foreign and native hongs are carried on, and who receives a percentage in remuneration for his services. The real economic utility of the *comprador* is disputed by many, but efforts on the part of foreigners doing business in China to eliminate him have so far failed, as the system is deeply grafted into the commercial usage of the empire. Some persons in the West seem to entertain a notion that, in the coming development of American commerce in the farther Pacific, the Japanese will play the part of *compradors* in helping to push American trade.

It appears to me that this assumption is falla-

cious on its face. In fact, there is no true basis for the comparison. In China the *comprador* is not a competitor of the business house whose goods he places before the retail merchant; he has not got a little factory in a back street making a similar, or a counterfeit article which he is attempting to push into the market; nor is he merely continuing his relations with his foreign house until he can, by using his connection to undermine its business, enter into direct competition with it. This, substantially, is the relation of Japanese industry and commerce to American trade in the Far East. It is true that a limited amount of American products are sent first to Japan, and then, through the operation of Japanese commerce, are resold in various parts of Asia. So far, so good; but it is hardly reasonable to presume that these American goods could not also be sold direct to the Chinese, Formosans or Koreans. For that matter, many American made articles reach the Far East through the channels of British and German commerce, and still more did through Russian commerce before and during the war.

But the point is this: Will it be to the ultimate advantage of American trade in the Orient to have established a condition where many of its products are and must be sold through the agency of a direct competitor? This question can scarcely be answered in the affirmative, unless Japanese commercial method reverses all ordinary processes; and I can discover nothing in Japanese commercial character upon which to

found such an expectation. This, it seems to me, disposes of the second theory.

I have already pointed out how the peace terms between Russia and Japan and the new Anglo-Japanese alliance definitely concede to Japan what are practically spheres of influence in Korea and Manchuria never before claimed by her. In fact, "sphere of influence" is too weak a phrase to describe this new situation. "Territorial rights" is the term used in the alliance treaty. Now "sphere of influence" is somewhat intangible, and requires caution in manipulation; but "territorial rights" is absolute, and carries with it the authority to control and regulate a country. "Territorial rights" imply sovereignty.

Does any one in America suppose that the French, German and Russian foreign offices are deceived as to the real meaning of this term? And do Americans expect that those powers will quietly consent to have their own special interests and privileges in their tentative "spheres" curtailed by the declaration of the Anglo-Japanese alliance in favor of the "open door," while the very next clause and the supplementary articles turn over to Japan a very large "sphere," where she is to have practically a free hand? European chancelleries have no delusions about the assurance that Japan will respect the "open door" in Korea and Manchuria. Will they not insist upon retaining special privileges in those regions where their influence predominates? What is sauce for the goose is sauce for the gander.

And under any revival and application of the

“sphere of influence” doctrine, where will American interests land? American commerce will be compelled to fight for a foothold in the Far East under any handicaps which other competitive nations may choose or be able to impose upon it. And it should be remembered that the logical outcome of the “sphere of influence” doctrine is dismemberment of China. China will herself exert an influence upon the eventual settlement, but the foreign nations now hold the balance of power.

This, then, is the situation American diplomacy is facing. It begins to look as if the United States, having once before rescued the “open door,” will be compelled in her own interest to try to save it again. I cannot help feeling that there is something rather humiliating to the United States, whether intended or not, in the wording and spirit of the new Anglo-Japanese alliance; and the British people may yet come to regard it as one of the greatest blunders English diplomacy has ever made. Americans certainly are capable of determining what are their interests in the Far East, and if they are not capable of advancing and defending them it is pretty sure that no other nation will push or protect them for their benefit. Can Americans afford to intrust the care of their interests in the present and future of the Orient to what seem destined to be their most energetic and formidable competitors? And it is, perhaps, significant that American trade in Asia is at present of greatest importance in the regions which England so coolly turns over to her ally.

It is clear that at present the United States

could not protect, in an extreme issue, the interests of its nationals in the Far East with any hope of success, owing to American military and naval weakness in the Pacific. Besides taking steps to alter this situation by maintaining a strength in the Pacific which, while threatening no one, will induce consideration of its reasonable wishes, the United States Government should lose no time in instituting more efficient measures to extend American interests by peaceful means. The United States needs a larger consular force in China; and should have there, by all means, a commercial and industrial bureau provided with a clerical force and funds to keep abreast of its competitors. America's position now, in respect to such matters, is almost ridiculous. The development of a spirit of resentment against America in China, of which the boycott is a superficial manifestation, has led to wide criticism of some phases of the exclusion laws maintained by the United States against Chinese. This is a question which concerns only America and China; and it has been so fully discussed that it need not be mentioned particularly, except to permit me to express the opinion that the treatment of some classes of Chinese who wish to pay a friendly visit to the United States would be more characteristic of barbarians than of a great and progressive republic, and should be corrected in the interest of American trade in the Orient if ethical considerations have no weight.

There are indications that American diplomacy in China is not always awake to certain peculiar

aspects of commercial rivalries in that part of the world; nor is public opinion in the United States. Especially since the collapse of the "American Railway Concession," there is little disposition on the part of the State Department, or its accredited representatives in China, to actively aid prospective American enterprises in establishing themselves in the East. This attitude is probably based on the theory that for a diplomat of high rank to meddle with commercial affairs is undignified. This is very well in a way, and would be an excellent policy to pursue if the representatives of other nations would also abide by it. But in China the German, Russian, British or Japanese ministers, however much dignity they may assume in public, do not hesitate to "get out and hustle" for any legitimate commercial project in which their nationals are interested; or, in an emergency, to knife an antagonistic or competitive project. In fact, that is a considerable part of their duty; and they all play the game as it is played in the East. Unless the American consular and diplomatic representatives adopt similar methods the interests of their nationals will suffer. The Wai-wu-pu is always looking for excuses to retard foreign enterprises in China, and usually construes a backward or moderate attitude on the part of a foreign minister as evidence that his government is not heartily enlisted in the matter in question. It is a condition, not a theory, that confronts American diplomacy in the Far East.

In these methods none are more assiduous than the Japanese, whose influence at Peking is mate-

rially enhanced by Japan's victory over Russia. I know of two instances that occurred in 1905, where the Japanese minister at Peking and Japanese consuls in certain provinces exerted themselves to the utmost to prevent, and did prevent, the consummation of important American projects. In fact, Japanese efforts along this line have doubled of late, indicating, perhaps, that Japanese statesmen realize that the national ambitions cannot be accomplished under a free competition with Western nations. Thus is Japan's policy in China directed in a straight line, harmonizing with the logic of conditions, and past and present events.

A number of new projects to establish and extend Japanese commercial influence in China have already been broached; such as the plan of the Japanese Government, using a corporation in Shanghai as a cloak, to purchase all the cotton mills in China; and the various Japanese railway schemes. A minor clause of the new China-Japan agreement provides that a Japanese railway expert shall be employed by the Chinese Government, and it has been asserted that in the future of railway building in the empire this Japanese is to be consulted in regard to the purchase of all material. In this connection, it will interest Americans to know that the money used by the Chinese to buy back the Hankow-Canton railway is believed to have been furnished by Japanese banking concerns, through a British corporation; and that this and the money which will, if they are carried out, provide the capital to operate

other large Japanese projects in China, comes largely from the sale of Japanese bonds in America and England. Thus American capitalists, who permitted the "American Railway Concession" to languish and die for lack of funds, readily assist in floating Japanese bonds, some of the proceeds of which are being used to fight the progress of American interests in China. The irony of this matter lies in the fact that while American financiers have generally refused to invest directly in purely American ventures in the Far East, they lend money to Japan to invest in such ventures in competition with America; and when the financial condition of Japan is such that should her national policy come to grief, as it clearly may, it is possible that the capital will be lost anyhow.

Just a word to Americans who may sincerely hold the opinion that the United States should abandon its position in the Pacific and abstain from any positive or aggressive policy in the Far East. The possibilities of the Orient, in a commercial and industrial sense, have not yet been scratched, and that the present century will witness a tremendous evolution there cannot be doubted. That the tendency of material discovery and its application to the wants and needs of mankind is to eliminate those conditions which for so long kept large segments of the human race in comparative isolation from each other, and to bring into direct contact and a more common channel what have, in man's narrow view of his own possibilities and destiny, appeared to be

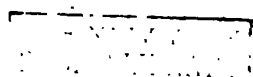
widely divergent forces is now generally recognized. To assume a future for civilization in which a majority of the earth's inhabitants will not be strongly, perhaps decisively influential, seems not only to contradict probability, but to negative political principles now widely accepted as the guiding and predominating force in human progress. It is roughly estimated that two-thirds of the human beings who now inhabit the earth live in that part of the world usually spoken of as the Orient. This constitutes, in sheer weight of human mind and matter, a decided, almost overwhelming majority, and should it eventually succeed in making its desires felt in the councils of the nations it cannot fail to seriously affect the course of civilization.

What will be the effect upon the Western world of the introduction of modern material progress into an element largely homogeneous and which holds, in physical preponderance, should means to apply it be found, the ultimate balance of power?

This is the Far Eastern question. Can Americans conceive a future for their country in which it will not be brought seriously into contact with this question? I cannot. America must, whether she wishes or not, take part in its solution.

THE END





APPENDIX

APPENDIX A

THE ANGLO-JAPANESE ALLIANCE

THE following text of the existing alliance between England and Japan is that given out officially by the British Government, and published in various newspapers in England and America:

"The Governments of Great Britain and Japan, being desirous of replacing the agreement concluded between them on Jan. 30, 1902, by fresh stipulations, have agreed upon the following articles, which have for their object:

"A—The consolidation and maintenance of general peace in the regions of Eastern Asia and India.

"B—The preservation of the common interests of all the powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China.

"C—The maintenance of the territorial rights of the high contracting parties in the regions of Eastern Asia and of India and the defense of their special interests in the said regions.

"ARTICLE I.—It is agreed that whenever in the opinion of either Great Britain or Japan any of the rights and interests referred to in the preamble to this agreement are in jeopardy, the two Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard those menaced rights or interests.

"ARTICLE II.—Should either of the high contracting parties be involved in war in defence of its territorial rights or special interests, the other party will at once come to the assistance of its ally, and both parties will conduct a war in common and make peace in mutual

agreement with any power or powers involved in such war.

"ARTICLE III.—Japan, possessing paramount political, military, and economic interests in Korea, Great Britain recognizes Japan's right to take such measures for the guidance, control, and protection of Korea as she may deem proper and necessary to safeguard and advance those interests, providing the measures so taken are not contrary to the principle of equal opportunities for the commerce and industry of all nations.

"ARTICLE IV.—Great Britain having a special interest in all that concerns the security of the Indian frontier, Japan recognizes her right to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions.

"ARTICLE V.—The high contracting parties agree that neither will without consulting the other enter into a separate arrangement with another power to the prejudice of the objects described in the preamble.

"ARTICLE VI.—As regards the present war between Japan and Russia, Great Britain will continue to maintain strict neutrality unless some other power or powers join in hostilities against Japan, in which case Great Britain will come to the assistance of Japan, will conduct war in common, and will make peace in mutual agreement with Japan.

"ARTICLE VII.—The conditions under which armed assistance shall be afforded by either power to the other in the circumstances mentioned in the present agreement and the means by which such assistance shall be made available will be arranged by the naval and military authorities of the contracting parties, who will from time to time consult one another fully and freely on all questions of mutual interest.

"ARTICLE VIII.—The present agreement shall be subject to the provisions of Article VI and come into effect immediately after the date of signature and remain in force for ten years from that date. In case neither of the parties shall have been notified twelve months before the expiration of the said ten years of an intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the parties shall have renounced it, but if, when the date

for the expiration arrives, either ally is actually engaged in war, the alliance shall *ipso facto* continue until peace shall be concluded."

The treaty was signed August 12, 1905, by Lord Lansdowne, on behalf of Great Britain, and by Baron Hayashi, on behalf of Japan.

APPENDIX B

THE RUSSO-JAPANESE PEACE TREATY

THE following text of the treaty of peace between Japan and Russia, by which the war of 1904-05 was terminated, was given out officially by the plenipotentiaries of the two powers at Portsmouth, and published in the press of the world:

"The Emperor of Japan on one part and the Emperor of All the Russias on the other part, animated by a desire to restore the blessings of peace to their countries, have resolved to conclude a treaty of peace and have for this purpose named their plenipotentiaries, that is to say, for his Majesty the Emperor of Japan, Baron Komura Jutaro Jusami, Grand Cordon of the Imperial Order of the Rising Sun, his minister of foreign affairs, and his Excellency Takahira, Kogoro, Imperial Order of the Sacred Treasure, his minister to the United States, and, for his Majesty the Emperor of All the Russias, his Excellency Serge Witte, his secretary of state and president of the Committee of Ministers of the Empire of Russia, and his Excellency Baron Roman Rosen, Master of the Imperial Court of Russia, his Majesty's ambassador to the United States, who, after having exchanged their full powers, which were found to be in good and due form, have concluded the following articles:

"ARTICLE ONE.—There shall henceforth be peace and amity between their majesties the Emperor of Japan and the Emperor of All the Russias and between their respective States and subjects.

"ARTICLE TWO.—The Imperial Russian Government, acknowledging that Japan possesses in Korea paramount political military and economical interests, engages neither to obstruct nor interfere with measures for guidance, protection, and control which the imperial Government of

Japan may find necessary to take in Korea. It is understood that Russian subjects in Korea shall be treated in exactly the same manner as the subjects and citizens of other foreign Powers, that is to say they shall be placed on the same footing as the subjects and citizens of the most favored nation. It is also agreed, in order to avoid causes of misunderstanding, that the two high contracting parties will abstain on the Russian-Korean frontier from taking any military measure which may menace the security of Russian or Korean territory.

"ARTICLE THREE.—Japan and Russia mutually engage,

"First—To evacuate completely and simultaneously Manchuria, except the territory affected by the lease of the Liaotung Peninsula, in conformity with the provisions of the additional Article One annexed to this treaty, and,

"Second—To restore entirely and completely to the exclusive administration of China all the portions of Manchuria now in occupation or under the control of the Japanese or Russian troops, with the exception of the territory above mentioned.

"The Imperial Government of Russia declare that they have not in Manchuria any territorial advantages or preferential, or exclusive concessions in the impairment of Chinese sovereignty, or inconsistent with the principle of equal opportunity.

"ARTICLE FOUR.—Japan and Russia reciprocally engage not to obstruct any general measures common to all countries which China may take for the development of the commerce or industry of Manchuria.

"ARTICLE FIVE.—The Imperial Russian Government transfers and assigns to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Talien, and the adjacent territory and territorial waters, and all rights, privileges and concessions connected with or forming part of such lease, and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above mentioned lease. The two contracting parties mutually engage to obtain the consent of the Chinese Government mentioned in the foregoing stipulation. The Imperial Government of Japan on their part undertake that the proprietary rights of Russian

subjects in the territory above referred to shall be perfectly respected.

"ARTICLE SIX.—The Imperial Russian Government engage to transfer and assign to the Imperial Government of Japan without compensation and with the consent of the Chinese Government the railway between Changchun-fu and Kuan-chang-tsu and Port Arthur and all the branches, together with all the rights, privileges and properties, appertaining thereto in that region, as well as all the coal mines in said region belonging to or worked for the benefit of the railway. The two high contracting parties mutually engage to obtain the consent of the Government of China mentioned in the foregoing stipulation.

"ARTICLE SEVEN.—Japan and Russia engage to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes and in nowise for strategic purposes. It is understood that this restriction does not apply to the railway in the territory affected by the lease of the Liaotung Peninsula.

"ARTICLE EIGHT.—The Imperial Governments of Japan and Russia, with the view to promote and facilitate intercourse and traffic, will, as soon as possible, conclude separate convention for the regulation of their connecting railway services in Manchuria.

"ARTICLE NINE.—The Imperial Russian Government cedes to the Imperial Government of Japan in perpetuity and full sovereignty the southern portion of the Island of Saghalien, and all the islands adjacent thereto, and the public works and properties thereon. The fiftieth degree of north latitude is adopted as the northern boundary of the ceded territory. The exact alignment of such territory shall be determined in accordance with the provisions of the additional article eleven annexed to this treaty. Japan and Russia mutually agree not to construct in their respective possessions on the Island of Saghalien, or the adjacent islands, any fortifications or other similar military works. They also respectively engage not to take any military measures which may impede the free navigation of the Strait of La Perouse and the Strait of Tartary.

"ARTICLE TEN.—It is reserved to Russian subjects, inhabitants of the territory ceded to Japan, to sell their real property, and retire to their country, but if they prefer to remain in the ceded territory they will be main-

tained and protected in the full exercise of their industries and rights of property, on condition of submitting to the Japanese laws and jurisdiction. Japan shall have full liberty to withdraw the right of residence in, or to deport from such territory any inhabitants who labor under political or administrative disability. She engages, however, that the proprietary rights of such inhabitants shall be fully respected.

"ARTICLE ELEVEN.—Russia engages to arrange with Japan for granting to Japanese subjects rights of fishery along the coasts of the Russian possessions in the Japan, Okhotsk, and Behring Seas. It is agreed that the foregoing engagement shall not affect rights already belonging to Russian or foreign subjects in those regions.

"ARTICLE TWELVE.—The treaty of commerce and navigation between Japan and Russia having been annulled by the war, the Imperial Governments of Japan and Russia engage to adopt as a basis for their commercial relations pending the conclusion of a new treaty of commerce and navigation, the basis of the treaty which was in force previous to the present war, the system of reciprocal treatment on the footing of the most favored nation, in which are included import and export duties, customs formalities, transit, and tonnage dues, and the admission and treatment of agents, subjects, and vessels of one country in the territories of the other.

"ARTICLE THIRTEEN.—So soon as possible after the present treaty comes in force all prisoners of war shall be reciprocally restored. The Imperial Governments of Japan and Russia shall each appoint a special commissioner to take charge of the prisoners. All prisoners in the hands of one Government shall be delivered to and received by the commissioner of the other Government or by his duly authorized representative in such convenient numbers and such convenient ports of the delivering state as such delivering state shall notify in advance to the commissioner of the receiving State. The Governments of Japan and Russia shall present each other so soon as possible after the delivery of the prisoners is completed with a statement of the direct expenditures respectively incurred by them for the care and maintenance of the prisoners from the date of capture or surrender and up to the time of death or delivery. Russia engages to repay

to Japan so soon as possible after the exchange of statements as above provided the difference between the actual amount so expended by Japan and the actual amount similarly disbursed by Russia.

"ARTICLE FOURTEEN.—The present treaty shall be ratified by their Majesties the Emperor of Japan and the Emperor of All the Russias. Such ratification shall be with as little delay as possible and in any case no later than fifty days from the date of the signature of the treaty, to be announced to the Imperial Governments of Japan and Russia respectively through the French minister at Tokyo and the ambassador of the United States at St. Petersburg and from the date of the later of such announcements this treaty shall in all its parts come into full force. The formal exchange of ratifications shall take place at Washington so soon as possible.

"ARTICLE FIFTEEN.—The present treaty shall be signed in duplicate in both the English and French languages. The texts are in absolute conformity, but in case of a discrepancy in the interpretation the French text shall prevail.

"In conformity with the provisions of Articles Three and Nine of the treaty of peace between Japan and Russia of this date the undersigned plenipotentiaries have concluded the following additional articles:

"Sub-Article to Article Three—The Imperial Governments of Japan and Russia mutually engage to commence the withdrawal of their military forces from the Territory of Manchuria simultaneously and immediately after the treaty of peace comes into operation and within a period of eighteen months after that date the armies of the two countries shall be completely withdrawn from Manchuria except from the leased territory of the Liaotung Peninsula. The forces of the two countries occupying the front positions shall first be withdrawn.

"The high contracting parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilometre and within that maximum number the commanders of the Japanese and Russian armies shall by common accord fix the number of such guards to be employed as small as possible while having in view the actual requirements.

"The commanders of the Japanese and Russian forces in Manchuria shall agree upon the details of the evacuation in conformity with the above principles and shall take by common accord the measures necessary to carry out the evacuation so soon as possible and in any case no later than the period of eighteen months.

"Sub-Article to Article Nine—So soon as possible after the present treaty comes into force, a commission of delimitation composed of an equal number of members is to be appointed respectively by the two high contracting parties which shall on the spot mark in a permanent manner the exact boundary between the Japanese and Russian possessions on the Island of Saghalien. The commission shall be bound so far as topographical considerations permit to follow the fiftieth parallel of north latitude as the boundary line, and, in case any deflections from that line at any points are found to be necessary, compensation will be made by correlative deflections at other points. It shall also be the duty of said commission to prepare a list and a description of the adjacent islands included in the cession, and finally the commission shall prepare and sign maps showing the boundaries of the ceded territory. The work of the commission shall be subject to the approval of the high contracting parties.

"The foregoing additional articles are to be considered ratified with the ratification of the treaty of peace to which they are annexed.

"Portsmouth, the Fifth Day of the Ninth Month of the Thirty-eighth year of Meiji, corresponding to the Twenty-third of August, 1905. (September 5, 1905.)

"In witness whereof the respective plenipotentiaries have signed and affixed seals to the present treaty of peace.

"Done at Portsmouth, New Hampshire, this Fifth Day of the Ninth Month of the Thirty-eighth Year of the Meiji, corresponding to the twenty-third day of August, One Thousand Nine Hundred and Five."

APPENDIX C

THE JAPAN-KOREA AGREEMENT

FOLLOWING is an official copy of the so-called "Suzerainty Protocol" between Japan and Korea:

"The Governments of Japan and Korea, desiring to strengthen the principle of solidarity which unites the two Empires, have with that object in view agreed upon and concluded the following stipulations to serve until the moment arrives when it is recognized that Korea has attained national strength.

"ARTICLE I.—The Government of Japan, through the Department of Foreign Affairs in Tokyo, will hereafter have control and direction of the external relations and affairs of Korea, and the Diplomatic and Consular Representatives of Japan will have the charge of the subjects and interests of Korea in foreign countries.

"ARTICLE II.—The Government of Japan undertake to see to the execution of the treaties actually existing between Korea and other powers, and the Government of Korea engage not to conclude hereafter any act or engagement having an international character, except through the medium of the Government of Japan.

"ARTICLE III.—The Government of Japan shall be represented at the Court of His Majesty the Emperor of Korea by a Resident General who shall reside at Seoul primarily for the purpose of taking charge of and directing the matters relating to diplomatic affairs. He shall have the right of private and personal audience of His Majesty the Emperor of Korea. The Japanese Government shall have the right to station residents at the several open ports and such other places in Korea as they may deem necessary.

"Such residents shall, under the direction of the Resident General, exercise the powers and functions hitherto appertaining to Japanese Consuls in Korea and shall perform such duties as may be necessary in order to carry into full effect the provisions of this agreement.

"ARTICLE IV.—The stipulations of all treaties and agreements existing between Japan and Korea, not inconsistent with the provisions of this agreement shall continue in force.

"ARTICLE V.—The Government of Japan undertake to maintain the welfare and dignity of the Imperial House of Korea.

"In faith whereof the undersigned duly authorized by their Governments have signed this agreement and affixed their seals.

"November 17, 1905.

"(Signed) HAYASHI GONSUKE,
"H. I. J. M.'s Envoy Extraordinary and
"Minister Plenipotentiary.

"(Signed) PAK CHE SOON,
"H. I. K. M.'s Minister for Foreign Affairs."

The following letter is in response to an inquiry by the author as to the present status of diplomatic relations between the United States and Korea:

DEPARTMENT OF STATE, WASHINGTON

JANUARY 31, 1906.

THOMAS F. MILLARD, Esquire,
New York City.

SIR:—In compliance with the request made in your letter of the 26th instant, I send you herewith enclosed a copy of the agreement signed on November 17, 1905, by the plenipotentiaries of Japan and Korea, by which Japan becomes the medium for conducting the foreign relations of Korea, and the subjects and interests of Korea in foreign countries are entrusted to the charge of the diplomatic and consular representatives of Japan.

As a result of that agreement the American Legation to Korea has been withdrawn, and all correspondence concerning the relations of the United States and Korea will be carried on between this Government and that of Japan.

I am, Sir,

Your obedient servant,

ALVEY A. ADEF

Second Assistant Secretary.

Enclosure:

Agreement above described.

BOOKS ON THE FAR EAST

PUBLISHED BY CHARLES SCRIBNER'S SONS

Corea: The Hermit Nation.—By WILLIAM ELLIOT GRIFFIS. With numerous maps and illustrations. New edition, with chapter on Corea in 1897. 8vo, \$2.50.

Lotos-Time in Japan.—By HENRY T. FINCK. With 16 full-page illustrations. Cr. 8vo, \$1.75.

China and the Allies.—By A. HENRY SAVAGE LANDOR. With 69 full-page and 200 text illustrations. 2 vols. Large 8vo, \$7.50 *net*.

A History of China.—By S. WELLS WILLIAMS, D.D. Being the Historical Chapters from "The Middle Kingdom," with a chapter narrating recent events to 1897. 8vo, \$2.00.

The Middle Kingdom.—By S. WELLS WILLIAMS, D.D. A survey of the Chinese Empire and its Inhabitants. With illustrations and a new map. 2 vols. Royal 8vo, \$9.00.

Murray's Japan.—A Handbook for Travelers. Revised and augmented. With maps, plans, and numerous illustrations. 12mo, \$7.50 *special net*.

Russia on the Pacific and the Siberian Railway.—By "VLADIMIR," author of the "China-Japan War." With maps and illustrations. 8vo, \$5.00.

Things Chinese.—Being notes on various subjects connected with China. By J. D. BALL. New revised and enlarged edition. 8vo, \$4.00 *net*.

Things Japanese.—Being notes on various subjects connected with Japan. By B. H. CHAMBERLAIN. Revised and enlarged edition. Cr. 8vo, \$4.00 *net*.

Ten Thousand Miles in Persia; or, Eight Years in Iran. By P. M. SYKES. Illustrated. 8vo, \$6.00 *net*.

BOOKS ON THE FAR EAST

PUBLISHED BY CHARLES SCRIBNER'S SONS

The Philippine Islands.—A Political, Geographical, Ethnological, Social, and Commercial History. By JOHN FOREMAN, F.R.G.S. With 3 maps and 32 illustrations. Large 8vo, \$5.00.

Philippine Affairs.—A Retrospect and an Outlook. By J. G. SCHURMAN, President of Cornell University. 12mo, 6oc. *net*.

Ten Months a Captive Among Filipinos.—Being a Narrative of Adventure and Observation during Imprisonment on the Island of Luzon, P. I. By ALBERT SONNICHSEN. With portrait and map. 8vo, \$2.00.

Yesterday in the Philippines.—By JOSEPH EARLE STEVENS. With 32 illustrations and maps. 12mo, \$1.50.

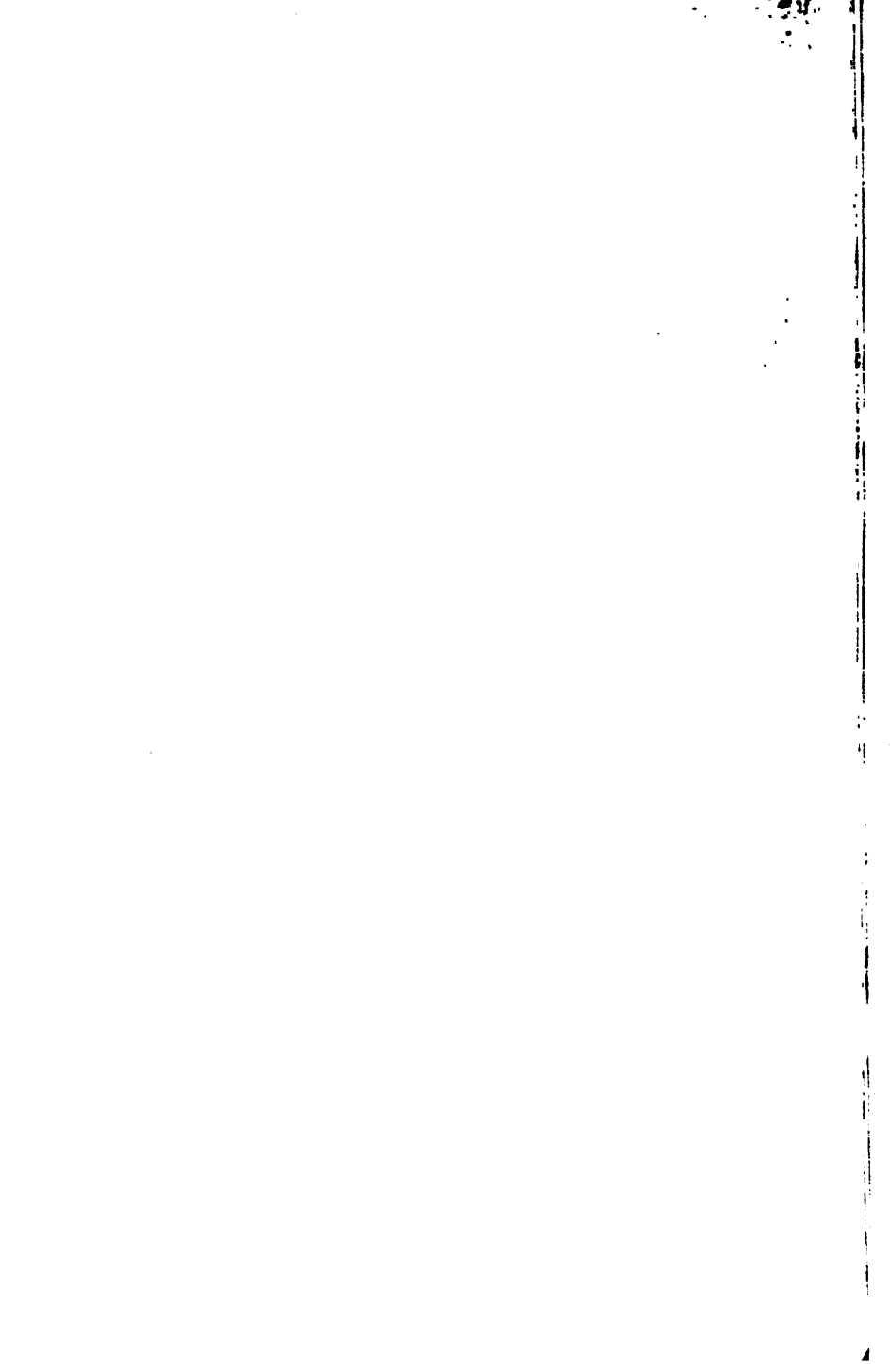
Manchuria: Its People, Resources, and Recent History.—By ALEXANDER HOSIE. With maps, diagrams, and illustrations. \$2.50 *net*.

Korea.—By ANGUS HAMILTON. With a newly prepared map and many illustrations. 8vo, \$4.00 *net*.

All the Russias.—Travels and Studies. By HENRY NORMAN. With over 100 illustrations. 8vo, \$4.00 *net*.

The Peoples and Politics of the Far East.—By HENRY NORMAN. With 60 illustrations and 4 maps. 8vo, \$4.00.

The Religions of Japan.—From the Dawn of History to the Era of Meiji. By WILLIAM ELLIOT GRIFFIN. 12mo, \$2.00.



AUG 29 1932



AUG 29 1982

